A DESCRIPTIVE ANALYSIS OF AN ORGANIZATION IN TRANSITION

An abstract of a Dissertation by
Gerald Leo Conley
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Advisor: Dr. Richard Brooks

The problem. The problem was concerned with the need for Mercy Hospital in Des Moines, Iowa, to determine whether its renewal efforts aimed at increasing the participation of upper, middle, and lower management personnel were successful. In addition, the hospital needed a baseline with which to compare future evaluations of the management system in the process of organizational renewal.

Procedures. In this study, a modified version of Rensis Likert's Profile of Organizational Analysis was administered to 50 hospital management personnel. These subjects were divided into three groups--the administrative team, the department heads, and the supervisory personnel. Each subject made two responses, in the form of personal perceptions, to each of 19 items on the research instrument. These responses, the way the subject felt the management system of the hospital *is* and the way they felt it *ought* to be were profiled on Likert's four management systems to ascertain whether there were any differences in the perceptions. A t-test was applied to the mean differences of the *is* and the *ought* perceptions of each group on the six organizational characteristics that were measured on the Profile. An analysis of variance was made on the *is* perceptions of the three groups to see if there were any intergroup differences in those perceptions. The data obtained in these analyses were used to describe the management system at Mercy Hospital.

Findings. There are significant differences in the way the management personnel surveyed in this study perceived the management system that exists at Mercy Hospital and the management system they desire to exist there. There is no significant difference in the way the three groups perceived the management system as it exists at the hospital.

Conclusions. Even though the hospital has been involved in a renewal effort to increase the participation of the upper, middle, and lower management personnel, that renewal process has not been completed. In spite of the differences in the way the groups perceive the organization as it *is* and as it *ought* to be, there is no significant difference between the groups in their perceptions of the present management system regardless of their hierarchal position or their involvement in the renewal process.

Recommendations. Based on the findings in this study, it is recommended that the hospital continue its renewal efforts and that an ongoing process of evaluation of the organizational management style be instituted. In addition, further research can be undertaken to determine why there were no significant differences in the perceptions of the three groups in the sample regardless of their involvement in the renewal program or their organizational position.

A DESCRIPTIVE ANALYSIS OF AN ORGANIZATION IN TRANSITION

A Dissertation

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Doctor of Education

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by

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Approved by Committee:

Chairman

Dean of the School of Graduate Studies

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RATIONALE FOR THE STUDY

INTRODUCTION

One of the central problems confronting the managers of contemporary organizations is the management of change. As the rate of change continues to increase, administrators are becoming convinced that they can no longer rely on the traditional techniques of chain of command, unity of direction, and span of control to operate their enterprises. These methods, so long viewed as the basis of effective administration, lack the flexibility needed to cope with change.

Because of this lack of flexibility, many organizations are seeking new methods of managing their resources in a changing environment. A variety of modification efforts have been tried, but the results are mixed. The author had an opportunity to observe one such effort at Mercy Hospital in Des Moines, Iowa. He spent a three-month internship at the hospital studying the administrative structure and the renewal process being used to make it more responsive to change.

This study is a description of what the author found during this stay at that institution. It is based on an analysis of the data collected during that internship.

The Sisters of Mercy, a religious order of the Roman Catholic Church, met in general assembly in 1969 to develop a blueprint for self-renewal in response to a mandate from the Second Vatican Council. The result of these proceedings was the Mercy Covenant, a document designed to be a guide for the renewal of the Sisters of Mercy and their organizations.[1] That document espoused the principles of participative authority and subsidiarity. The Covenant states:

> In order to provide the sister with the appropriate modes of interaction with others the principles of participative authority and subsidiarity should prevail. From these principles naturally flow the necessity of group accountability and co-responsibility to the community and community goals.[2]

This statement recognizes the need for participation in the organization and further states that with this process there will be greater commitment to group goals on the part of individual members. The Covenant continues:

> Participative authority of itself is of no avail unless it is understood that the process of group participation is at times much more difficult than that involving only vertical lines of authority in a superior-subject relationship. Yet in order to be a free, authentic person, a sister must commit herself to others and accept the tension always present in attempting to balance the desire for personal fulfillment with the need for responsibility to the group.[3]

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[1] Sisters of Mercy of the Union, Mercy Covenant: Special General Chapter Proceedings 1969 (Washington, D. C.: Sisters of Mercy Generalate, 1969), p. v.

[2] Ibid., p. 64.

[3] Ibid., pp. 64-65.

Using the philosophy contained in these guidelines and in the call for renewal from the Vatican Council, Mercy Hospital in Des Moines, Iowa, embarked upon a program of organizational renewal. This renewal was part of a larger process aimed at strengthening the long range planning procedure of the hospital.

The genesis of the efforts to improve the long range planning came from a series of meetings between the Sisters and representatives from the American Management Association. The specific charge of the group at these conferences was to develop a "blueprint" for future planning. The administrator at this hospital wished to depart from the plan of the conference and develop a plan more in keeping with the philosophy of participation practiced there. She felt that a blueprint was too inflexible and that planning as a process should have more flexibility. As a result, she asked for a planning process that would be compatible with participative management, one that would be able to cope with a constantly changing culture.

Because of her desire for a unique planning process for Mercy Hospital, the administrator enlisted the aid of a behavioral scientist to help in its development. This scientist, an industrial psychologist from the University of Saint Louis, had considerable experience working with Catholic religious organizations. He understood the philosophy of the Sisters of Mercy, and he had worked extensively in organizational renewal activities in the Church.

The first step in the renewal program at Mercy involved

a series of meetings with key management personnel from the hospital. In these meetings, held away from Mercy, the psychologist sought to sensitize the participants and open the organization's lines of communications. The next thing he did was gather data about the organization. As a result of that information, the Mercy Planning Advisory Committee (MPAC) was formed.

The advisory committee recognized the need for the hospital to function as an open system in the present day environment. They perceived the open system as being composed of three interrelated parts. The first part, the input stage of the system, consisted of what was fed into the system from the external environment. The second stage, called the throughput, was the organization itself performing its function on the input from the external environment. The third stage, the output, was the process of returning the finished product to the environment. In the last stage, in the case of the hospital, this quite obviously involves the return of a patient to the community in a healthier condition.

The need for such a system to be open was obvious to the members of the advisory group. They concluded that an open system, concerned with structural, relationship and interdependence problems, would be more able to cope with the problems of change than could the traditional closed systems. The committee developed a system composed of five sub-systems. These sub-systems included:

1. Service System
2. Human Resources
3. Boundary System
4. Adaptive System
5. Managerial System[1]

Even though these sub-systems were interrelated, it was the latter one that was of concern in this study. Therefore, this study focused on the managerial system. The planning committee developed a position statement on their function and its relation to the desire for increased participation they were seeking. They stated:

> Planning is the process of democratic involvement of line personnel into the staff function of decision making. Planning is a decision making process not a decision making device. On integration of information into a system where a broad and deep prospectus can be obtained and therefore, a better decision making process. It is a better information and fact gathering device to supply insight into decision making.[2]

The method employed by the hospital administration to involve the line personnel in the staff decision making process required a modification of the administrative organizational chart at Mercy. The planning committee recommended the development of a flatter organizational chart than had existed in the previous administration. As can be seen on the organization chart shown in Figure 1, the ultimate authority still

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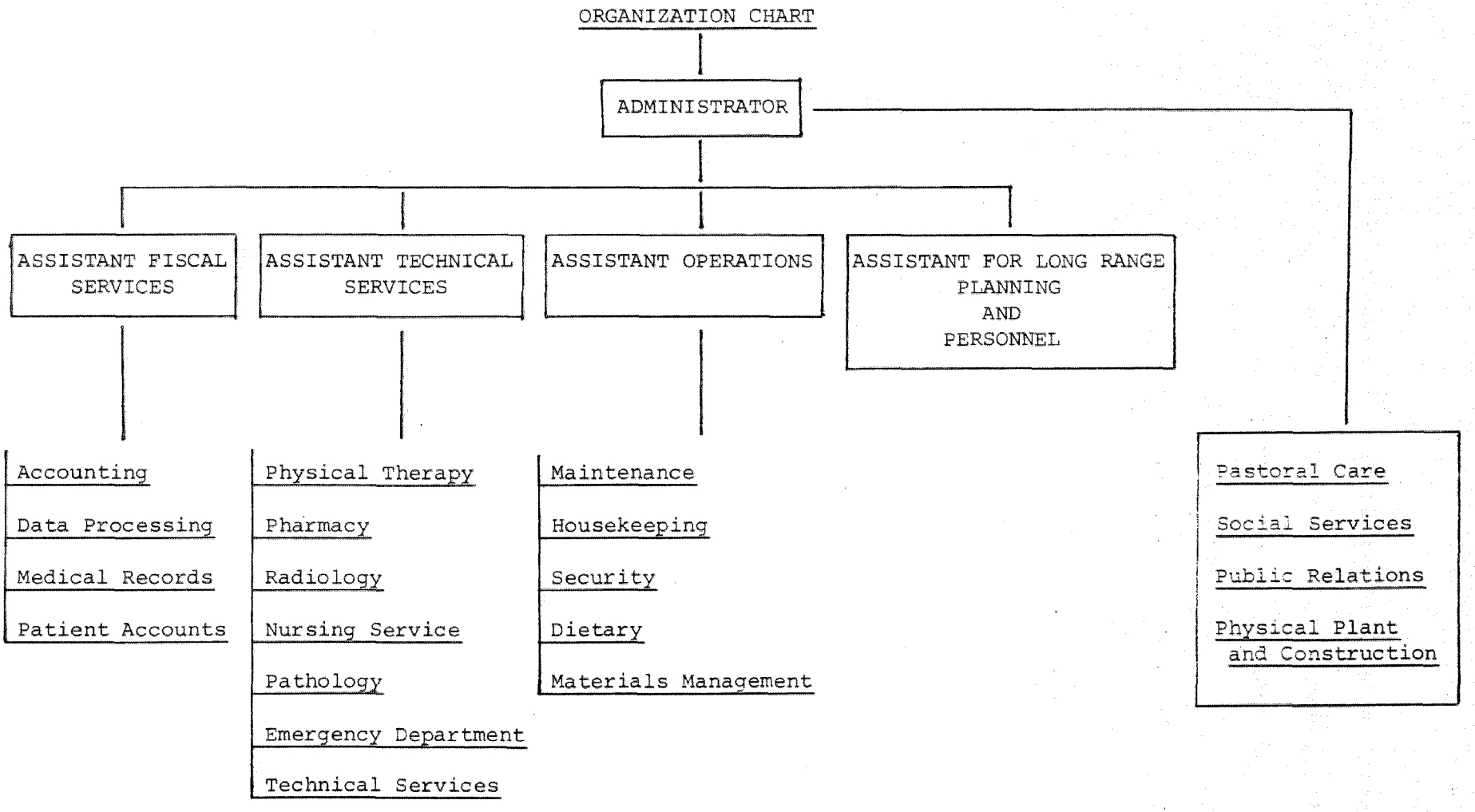
[1] "Manual For Planning" (Des Moines, Iowa: Mercy Hospital, 1971), p. 9, mimeographed.

[2] Ibid., p. 8.

Figure 1

Mercy Hospital



rests with the chief administrator, but there is also a delegation of responsibility to four assistants. Operationally, these four assistants meet with the department heads assigned to them on a weekly basis for problem solving purposes. If the problems cannot be solved in these weekly problem solving meetings with the assistant administrators of the hospital, they are discussed in the administrative team meetings held every Tuesday afternoon. This system was designed to get as much input as possible on any problems confronting the hospital administration. An agenda is distributed three days prior to the administrative team meetings to everyone involved and the participants are to familiarize themselves with the agenda items.

The format of the meetings was a consultative decision making process with each agenda item being introduced by the appropriate department head and administrator. After the item was introduced by the appropriate assistant administrator, the meeting was thrown open for discussion by anyone who had input in the matter. When the discussion was completed, the agenda item was put to a vote by the administrative team members. The vote was taken openly in front of the group and it stood as the decision regarding the item. The people who actually took part in the vote were the administrator, her three assistants, and the director of planning.

The administrative team met on the day following the Tuesday meetings to discuss the team members' reactions to the previous day's meeting and to suggest some possible ways to

improve those meetings. The general purpose of those meetings was to improve the overall operation of the administrative team in the planning process.

As a result of the planning process and the goals of the long range planning committee, the hospital developed some objectives to guide the operation of Mercy during that year. The relationship of those goals to the hospital was readily seen because they reflected a commitment to increased participation. The goals for the year of this study were:

1. Support the Nursing and Medical Staff's efforts to upgrade and measure the quality of patient care.

2. Delineate the medical programs to be emphasized by Mercy Hospital.

3. Continue and strengthen commitment to participative management among all levels of management.

4. Encourage and foster a cost effectiveness attitude among hospital personnel.

5. Foster informed and objective health-care economics awareness among hospital personnel and other hospital publics.

6. Continue to develop and modify the Long Range Planning Process with increased emphasis on strengthening the Religious Dimension of Mercy and its impact on Mercy's internal and external publics.

7. Work for greater integration of all participants in the patient care program--nursing service, department heads, medical staff committees, Board of Directors, consumers--through effective interaction.

8. Plan and implement the move into the new facility with maximum cost effectiveness and without disruption of continuity and quality of patient care.

9. Implement a long range plan for Mercy Hospital based on the Friesan Role Study, community needs and interaction with other health planning and provider agencies in Central Iowa.

10. Establish a Mercy Health Care Foundation as a means of facilitating the Fund Development Program.

11. Assist Medical Staff Executive Committee in delineation of Medical Staff privileges.

12. Continue and strengthen personnel development through definition of approved programs and responsible fiscal commitment to same.

13. Continue our commitment to Medical Education.[1]

The hospital administration felt that the best way to meet these objectives was to allow the management sub-system maximum input into the process of planning and implementation. They reasoned that allowing the managerial personnel to have input into the planning process would produce a greater sense of ownership of the hospital goals. This ownership of goals would enhance their commitment to goal realization.

The program had been in progress for over three years at the time of this study. The hospital administration was seeking some way to measure objectively the present state of the organization in relation to employee participation. Because participation means different things to different people, a definitive statement on participation was needed. Such a statement was provided by Robert C. Albrook when he wrote:

> The essential message these outriders had for business was this: recognize the social needs of employees in their work, as well as their need for money; they will respond with a deeper commitment and better performance, help to shape the organization's changing goals and make them their own. For blue-collar workers this meant such steps as

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[1] "Mercy Hospital Goals For Fiscal 1974" (Des Moines, Iowa: Mercy Hospital, 1974), mimeographed.

> organizing work around tasks large enough to have meaning and inviting workers' ideas; for middle and upper management it meant more participation in decision making, wider sharing of authority and responsibility, more open and more candid communication up, down, and sideways.[1]

Using Albrook's statement as a philosophical basis and recognizing that Mercy's efforts at increased participation were directed at the upper, middle, and lower management personnel, the study sought to analyze that group's perceptions of the hospital's management style.

STATEMENT OF THE PROBLEM

The purpose of this study was to describe the renewal process undertaken at Mercy Hospital in Des Moines, Iowa, and to analyze its success by measuring the perceptions of the upper, middle, and lower management personnel. This was done by using a modified version of Rensis Likert's Profile of Organizational Analysis to determine the perceptions of the subjects.

The results of that analysis served as a basis for describing the organization in regard to the participation of the membership in its management. This description not only included the perceptions of the members with respect to how management <u>is</u> shared; it also included how the members felt about how the system <u>ought</u> to work. The description was also to be used as baseline data for comparison with future assessments and to provide information about areas that might require future renewal.

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[1]Robert C. Albrook, "Participative Management: Time For a Second Look," <u>Fortune</u>, 75:168, May, 1967.

REVIEW OF THE LITERATURE

The review of the literature in this study concentrates on change in modern society and how organizations have moved toward greater participation in an effort to cope with it. The evolution of the participative process is surveyed and the effect of situational factors on the process is also discussed.

INSTRUMENTATION

The way the members of an organization perceive its operation greatly affects its operation[1] and it was felt that in this study an instrument that could measure those perceptions could provide valuable information about the organization's management. Rensis Likert developed a Profile of Organizational Analysis designed to measure the perceptions of the respondents on a number of organizational characteristics. Those characteristics were measured using 51 items, each placed on a 20 point rating scale. These rating scales were broken down into four different management systems that could be used to develop a management profile based on the characteristics analyzed.

A modified version of the Likert instrument was used in the present study. This modified version was composed of fewer items and was selected because of the University of Michigan's

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[1]Rensis Likert, "A Motivational Approach to a Modified Theory of Organization and Management," Modern Organization Theory: A Symposium of the Foundation for Research on Human Behavior, ed. Mason Haire (New York: John Wiley and Sons, Inc., 1959), p. 191.

Institute for Social Research's admonition that, "the longer version should not be used without some prior experience with Likert's aim."[1] Thus, the advice of the Institute was taken when they suggested that: "The reader might find the . . . shortened adaption of the Likert Profile into 19 items a more viable instrument,"[2] and the modified version of the Likert instrument was selected to analyze the management of Mercy Hospital. (See Appendix A).

HYPOTHESES OF THE STUDY

This study will attempt to determine:

1. The lower, middle, and upper management personnel will perceive the participative management system in this setting as less participative than it should be. (is vs. ought on each of six characteristics).

2. The higher one ranks in the management system the greater will be his tendency to view the system as "participative".

In order to test these hypotheses, it is necessary to state them in null form, i.e.:

1. At no administrative level is there a difference between the perception of what is and what ought to be.

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[1]John P. Robinson et al., Measures of Occupational Attitudes and Occupational Characteristics (Ann Arbor, Michigan: Institute for Social Research, 1973), p. 277.

[2]Ibid., p. 280.

2. There are no differences between the groups of management personnel in their perceptions of what is in terms of participation in the management system.

DESIGN OF THE INVESTIGATION

The study was approved by the administrative staff of Mercy Hospital and was a part of the author's administrative internship there.

The upper, middle, and lower management personnel of the hospital staff were selected to be the subjects in the study. There were 50 individuals in the total sample. They were divided into three groups: the administrative team (N=4), the department heads (N=16), and the supervisors (N=30). The mean score for each item was calculated for the total sample of the study and a profile was drawn for each of the two perceptions. These profiles were used as a basis for describing the present state of the organization.

The mean score for each group was computed for the six characteristics on the way the organization is and the way it ought to be, to determine whether there was any significant difference in their two perceptions. (Hypothesis #1).

The is perceptions of the three groups were analyzed to discover if there were any significant intergroup differences. (Hypothesis #2).

In each of the two analyses above, the results were used to determine whether or not there was any difference between

the two perceptions within each group and whether or not there were any intergroup differences in the *is* perceptions. The .05 level of significance with the appropriate number of degrees of freedom was used and any value exceeding that figure caused the rejection of the null hypothesis.

TREATMENT OF THE DATA

Hypothesis #1: There is no difference between the way the organization *is* and the way it *ought* to be based on the perceptions of the respondents by group.

The *is* perception score was subtracted from the respective *ought* perception score for each individual of each group on each of the six characteristics and the mean difference computed. A one tailed t-test for correlated data was used to test the hypothesis. Eighteen tests were performed, one for each of the six characteristics with each of the three groups.

Hypothesis #2: There is no difference in the perceptions of the three groups on the way the organization really *is* in regard to the organizational characteristics measured.

A single factor analysis of variance was used to test this hypothesis. Six tests were made, one for each characteristic. The scores for each group were used to compute the between sum-of-squares, the within sum-of-squares and the F test.

LIMITATIONS AND ASSUMPTIONS

This study is limited to a descriptive analysis of the administrative staff of Mercy Hospital in Des Moines, Iowa.

The basic assumptions made in this study are:

1. The perceptions of the members of the administrative staff regarding the operation of the hospital are a valid basis for a descriptive analysis of the organization.

2. The modified version of Likert's Profile can be effectively used to analyze and describe an organization.

3. The six organizational characteristics contained in the Likert device are an effective measure of managerial styles.

4. The data generated by this study can serve as a base-line for future study of the hospital's administrative structure.

5. Any difference between the two perceptions within a given group that is significant can be used for future renewal efforts by the hospital.

6. Any significant differences between the three groups on the <u>is</u> perceptions can be used for renewal efforts in regard to the particular characteristic involved.

ORGANIZATION OF THE STUDY

The study will be presented using the following format: Chapter 1 - Background and Rationale; Chapter 2 - Review of the Literature; Chapter 3 - Methodology of the Research; Chapter 4 - Presentation of the Data; and Chapter 5 - Summary, Conclusions and Recommendations.

Chapter 2

REVIEW OF THE LITERATURE

A look at the historical evolution of the modern organization reveals that it has moved from a closed mechanistic structure to a more open organic type. This evolution was greatly facilitated by the efforts of those behavioral scientists whose research was aimed at determining the effect of a humanistic theory of the nature of man on organizational structures.

The literature that was reviewed described the transition process in which organizational theory progressed from an essentially authoritarian type of leadership to a participatory self-renewing type of structure. The literature was replete with data on this process and the causes of it. This review was designed to chart the course of that progress. The works of Maslow, McGregor, Argyris, Likert, Beckhard, Bennis, Marguiles, Davis, French, Davis, Toffler and others provided the material for this examination.

THE EFFECT OF CHANGE ON ORGANIZATIONS

Change is at the very root of organizational renewal. With the proliferation of change being experienced today, society needs to develop ways of controlling or managing it. The rate of change borders on revolutionary and if man fails, individually or institutionally, to respond to this change, it could result in

society's disintegration. As a result, many behavioral and social scientists are at work attempting to develop the means to control and direct change.

As a researcher and major writer in this area, Alvin Toffler is so concerned in the matter that he sees it as societal malaise he calls "future shock." He describes the condition as the result of people trying to absorb too much change in a relatively short time span with a resultant psychological stress that causes the person to become disoriented.[1]

Because of this problem, Toffler made an in-depth study of varied segments of American society to determine how change is seen by those he interviewed. He synthesized the results of his study into two basic areas of concern:

> First, it became clear that future shock is no longer a distantly potential danger, but a real sickness from which increasingly large numbers already suffer. This psycho-biological condition can be described in medical and psychiatric terms. It is the disease of change.
>
> Second, I gradually came to be appalled by how little is actually known about adaptivity, either by those who call for and create vast change in our society, or by those who supposedly prepare us to cope with those changes. Earnest intellectuals talk bravely about "educating for change" or "preparing people for the future." But we know virtually nothing about how to do it. In the most rapidly changing environment to which man has been exposed, we remain pitifully ignorant of how the human animal copes.[2]

These findings illustrate the scope of the problem. The rate of change is so great that it is having a damaging

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[1]Alvin Toffler, Future Shock (New York: Random House, 1970), p. 2.

[2]Ibid., p. 2.

effect on a number of people and they seem to lack the wherewithal to deal with the problem. If this growth continues unabated, the resulting disorientation can be so deleterious that it may lead to disruptions in the basic institutions that are the mainstays of this society.

The magnitude of the problem in relation to basic institutions was pointed out by Blake and Mouton, who stated:

> Social revolution is increasingly a part of everyday life. Sharp challenges that often end in wrenchings and upheavals are frequent occurrences in families, neighborhoods, schools, and communities. Traditions, precedents, and past practices that have long ordered, regulated and stabilized many social institutions are under attack.[1]

When change affects basic social structures to such a degree that one can see a reordering taking place in them, it is logical that the aftershocks will be felt throughout society's institutions. What is needed is a method of dealing or coping with change so that these aftershocks do not become destructive.

There is a reciprocity between man and his environment; as he interacts with his environment he brings change to it and the resulting changed structure changes him. It is a spiral cumulative process of change and the older authoritarian structures lack the ability to be responsive to it. Significant structural changes in some of these contemporary organizations have resulted because of their lack of responsiveness to change. These structural changes have been toward a less rigid form, one

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[1]Robert R. Blake and Jane Snygley Mouton, Building a Dynamic Corporation Through Grid Organization Development (Reading, Mass.: Addison-Wesley Publishing Co., 1969), p. 1.

that seems better able to accommodate the changes that confront it. Marguiles and Raia recognized the problem and explained the need to become more responsive in this way:

> The accelerating and almost unbelievable rate of change in our society has had a profound effect on our social institutions. They are faced not only with innovations in science and technology, but also with changing values and concepts concerning the nature of man. The result has been some considerable changes in the way in which organizations function. Older mechanistic organization structures are gradually giving way to newer and more organic temporary systems and matrix forms.[1]

Although man recognizes the changes wrought by science and technology, he sometimes fails to realize that these changes have also affected the value systems and perceptions about the nature of man. As a result, there appears to be a renewal effort developing which has as its goal the re-personalization of bureaucratic mechanistic institutions. It is with this value that man is experiencing the greatest difficulty. Marguiles and Raia noted this trend in their discussion of the withdrawal from the bureaucratic forms of the past, stating:

> The depersonalized values of bureaucratic systems are gradually being replaced by organization values based upon humanistic and democratic ideals. Our social institutions are learning, perhaps too slowly, that they can neither understand nor cope with the devastating rate of internal and external change without some fundamental change in management and organizational technology.[2]

Rensis Likert, one of the leading researchers in the area of human behavior in organizations, described the changing

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[1] Newton Marguiles and Anthony P. Raia, Organizational Development: Values, Process and Technology (New York: McGraw-Hill Book Company, 1972), p. 1.

[2] Ibid., pp. 1-2.

attitude about the human side of modern organizations, saying:

> The trend in America, generally, in our schools, in our homes, and in our communities, is toward giving the individual greater freedom and initiative. There are fewer direct, unexplained orders in schools and homes, and youngsters are participating increasingly in decisions which affect them.[1]

The effect of this type of training on the workforce may well be incalculable. If society continues to educate and bring along persons who are accustomed to participating in decision making it must also change its existing organizations to allow for such participation. If it does not, it will find its organizations and institutions populated with members who are unable to cope with mechanistic and bureaucratic methods of operation. The growth of the problem is rushing society toward the crossroads of organizational obsolescence. The only viable alternative will be to develop within the organization and its membership the skills that will allow them to renew the enterprise when it is warranted.

As Golembiewski stated:

> There is no way of putting off either individual or organizational renewal, but a major choice must be made. Beyond a pollyanish hope that matters will get better if they are left alone, that is to say, two alternative approaches are available: rebellion against our institutions, with the goal of destroying them; or renewal of the institutions, with the goal of making them more effective. It is a question of burning or learning, in short, if we reject the alternative of lapsing into a growing irrelevance.[2]

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[1]Rensis Likert, New Patterns of Management (New York: McGraw-Hill Book Co., Inc., 1961), p. 1.

[2]Robert T. Golembiewski, Renewing Organizations: The Laboratory Approach to Planned Change (Itasca, Illinois: F. E. Peacock Publishers, 1972), p. 5.

The latter of these two choices is more palatable to the greater portion of modern society and therefore, would seem to be an easy task. Unfortunately, the nature of human organizations makes the process very difficult in practice. Chin and Benne[1] contend that there are three modes of organizational change, the empirical-rational, the normative-re-educative, and the power-coercive. The normative-re-educative method of change is the one this study is concerned with. This is because that strategy is most likely to be effective in dealing with the problems of change discussed in this study. In their discussion of the normative-re-educative strategy, Benne and Chin explained:

> Men are guided in their actions by socially funded and communicated meanings, norms, and institutions, in brief by a normative culture. At the personal level, men are guided by internalized meanings, habits, and values. Changes in patterns of action or practice are, therefore, changes, not alone in the rational informational equipment of men, but at the personal level, in habits and values as well and, at the sociocultural level, changes are alterations in normative structures and in institutionalized roles and relationships...[2]

Because of the social nature of organizations, any change must be accepted by the membership of the changing group, and before they decide to accept it, the members examine it in the light of value systems and weigh its effect on themselves, individually, as well as the group. The responsibility for the introduction of such change rests with the management of the

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[1]Robert Chin and Kenneth D. Benne, "General Strategies For Effecting Change in Human Systems," The Planning of Change, eds. Warren Bennis, Kenneth D. Benne, and Robert Chin (New York: Holt, Rinehart and Winston Inc., 1969), pp. 32-43.

[2]Ibid., p. 43.

group. The procedure is fraught with problems and one of the major problem areas was discussed by Keith Davis, who pointed out how employee attitudes played a significant part in acceptance of change. Davis said:

> Work change is further complicated by the fact that it does not produce a direct adjustment as in the case of air molecules, but instead it operates through each employee's attitudes to produce a response conditioned by his feelings toward change.[1]

In essence, then, the problem of the introduction of any change by management is that the success of the alteration is based upon the willingness of the employees to accept it; in the final analysis, they control the decision to accept or reject it. One of the concerns for modern management becomes, how to make the organization more responsive to changes. The importance of this problem is increasingly noteworthy as the rate of changes impinging upon society intensifies. The failure to cope with changes' consequences may lead to destruction, and the technocrats must begin to look at the human element in their operation if they are to succeed because, as has been previously stated, the human element feels the impact of the change the most. Gordon Lippit described the importance of the human side of the institution, writing:

> The buildings, real estate, typewriters, computers, and financial resources of modern organizations are no more than useful tools, the material side of enterprise. These tangibles could be dispensed with and there could still be an organization. This is because basically an

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[1]Keith Davis, Human Behavior at Work: Human Relations and Organizational Behavior (New York: McGraw-Hill Book Company, 1972), p. 156.

> organization is made up of human resources--people. In a way this is paradoxically both fortunate and unfortunate. On one hand, the prospect of an enterprise that could function endlessly and efficiently without human guidance is the substance of nightmares; on the other hand, the greatest obstacle to successful functioning of man's organizations is the all-important asset that is man himself.[1]

Man, then, serves as the key ingredient in organizations for without him they cannot function and without his assent they cannot adapt to the changes that are imposed upon them. Ironically, as man, the consumer, demands changes to better his life-style, man, the worker, may resist them because it alters his life-style. Golembiewski summed up this enigma that man presents himself:

> More and more, we trigger deliberate change and conscious innovation, perhaps even lust after it, even as we more clearly recognize the many unanticipated and sometimes overwhelming effects we thereby set in motion. We have met the enemy and they is us, as Pogo put it. And no truce seems likely between the two faces of man.[2]

There seems to be a certain hopelessness in Golembiewski's statement because he does not see any likelihood of a truce ever being arrived at and, yet, the constant state of conflict that would result could be disastrous. A closer study reveals that the real problem is the time lag between the implementation of the change and its acceptance by the affected membership.

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[1]Gordon L. Lippit, Organization Renewal (New York: Appleton-Century-Crofts, 1969), p. 5.

[2]Golembiewski, op. cit., pp. 2-3.

This lag can be best understood in terms of a self-correcting mechanism first discussed in the biological sciences. It is a systemic defense against change and its attendant consequences. One author described it in terms of organizational systems. He discussed it in relation to the needs of the individual members and their resistance to the modification of those needs. Generally, this steady state, or homeostasis as he called it, is considered to be a balanced state. Anything that upsets this balance is resisted.[1] Davis concisely portrayed the procedure as, "This self-correcting characteristic of organizations is called 'homeostasis'; that is, people act to establish a steady state of need fulfillment and to secure themselves from disturbance of that balance."[2]

The problem is that anytime a variable is introduced, that is perceived as threatening, the balance component of the organism is activated. It might be clearer if one were to view the organization as a system composed of a series of interrelated subsystems. Anytime change is introduced into the system it is felt throughout all of the component parts and the homeostatic operation is activated. An analogy of pushing on a balloon with one's finger was used by Davis to show this interrelatedness. He suggested:

> When a finger (which represents change) is pressed against the exterior of the balloon (which represents the organization) the contour of the balloon visibly changes at the point

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[1]Davis, op. cit., pp. 159-160.

[2]Ibid., p. 159.

> of impact. Here an obvious pressure, representing change, has produced an obvious deviation at the point of pressure. What is not obvious, however, is that the entire balloon (the organization) has been affected and has stretched slightly. As shown by this comparison, the generalization is drawn that the whole organization tends to be affected by change in any part of it.[1]

The ideas put forth so far in this paper indicate that change is rampant in modern society, that it affects the entire organizational system, and that the most important organizational element is the human one. It is logical, therefore, that any attempts to introduce change must be aimed at the membership of the enterprise. Organizations are morphogenic in nature. The change stimuli that touch the organization's boundaries and the way those stimuli are acted upon determine organizational form. If the seeds for renewal are not present, the organization can be destroyed by demands for alteration. Golembiewski's contention that man is the major impediment in this process is supported by other researchers. One of them maintains that it is the more abstract aspects of the human factors that must be renewed if organizations are to maintain their viability. Lippit explains this principle, stating:

> The renewal of people and tools is, at best, incremental; renewal of attitudes, aspirations and purposes, because they rest basically on the will and ideas of human beings, involves the interrelationships of people with people, and of people with situations.[2]

There is evidence to indicate that change is causing increasing dysfunction in organizational life. It is becoming

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[1] Ibid., p. 155.

[2] Lippit, op. cit., p. 5.

evident that for organizations to be responsive to man's unsatisfied demands will not be enough, but the organization must also be able to anticipate man's future demands and to put into motion renewal policies to handle them. This can be a very difficult task because, up until this time, the ability to make the necessary adjustments were lacking in most organizations. This inability to anticipate man's needs may be the result of a conflict between man's ideas and his demands. Golembiewski theorized that:

> The thrust of history and the skills of mankind are at cross-purposes, in sum, and significantly so. The results are most clear in the dry rot of our cities, but the effects are ubiquitous in all our institutions--political, social and economic. These institutions are being sorely tested to provide the things that more and more people are seeking or demanding. Hence our institutions now must not only catch up to those expanding demands, but they also can look forward to continual renewal throughout the foreseeable future so as to meet and hopefully anticipate the demands to come. Moreover, institutions from one point of view reflect the spirit of man, and from another they mold his quality of life. Consequently, the ideas and attitudes of man, also catch up with today's expanding demands, as well as stand ready for continuous renewal in the tomorrows that can now be only dimly envisioned.[1]

Golembiewski may seem to be an alarmist. If, however, Toffler's contentions are valid, there should be an increasing concern about the inability to develop the expertise to deal with the enlarging number of demands placed upon institutions. Thus, one can say that the rate of change is intensifying and society's ability to cope with it is not keeping pace. The critical element in the solution of this problem is the people.

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[1]Golembiewski, op. cit., p. 4.

It is the modification of their attitudes, aspirations, and purposes that will bring about the answers to this dilemma.

The problem is common to many complex organizations and the results of its damage are becoming increasingly evident; yet, the structures seem incapable of acting to correct themselves. Chris Argyris, one of the leading authorities on organizational development, cited the magnitude of the problem and the intransigence of the organizations to deal with it. He said:

> The older and more complex organizations in our society--business firms, governmental bureaus, city governments, labor unions, churches, hospitals, schools and universities--appear to be deteriorating. With every passing day, the human and material costs of providing a product or service seem to be going up, while the resulting quality is either wavering or going down. Organizations are becoming increasingly rigid and difficult to change; it is almost impossible to induce them to re-examine and renew themselves.[1]

As a result of the inability to re-examine and renew themselves in the face of disastrous change, managers are enlisting the aid of behavioral scientists to try to help develop the strategies to become more flexible. It is clear that any process must be an ongoing one because of the nature of continuing change. Research data pinpoints the resistance to variation in the human segment and, therefore, justifies the request for help from the behavioral scientists.

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[1]Chris Argyris, Intervention Theory and Method: A Behavioral Science View (Reading, Mass.: Addison-Wesley Publishing Co., 1973), p. 1.

In order to properly understand the problems involved in this process it is necessary to look at the historical evolution of man, his values and the organization as developed by social scientists. The next section of this chapter is devoted to this task.

MAN, VALUES, AND ORGANIZATION

Certainly with the change that is manifest in contemporary society, the structure of the bureaucratic system is suspect. Warren Bennis in his book, The Temporary Society, said:

> ...We predicted the end of bureaucracy as we know it and the rise of new social systems better suited to the twentieth-century demands of industrialization. This forecast was based on the evolutionary principle that every age develops an organizational form appropriate to its genius, and that the prevailing form, known by sociologists as bureaucracy and by many business men as "damn bureaucracy," is out of joint with contemporary realities.[1]

The age for which it was developed allowed bureaucracy to serve a most useful function; it made for fair and predictable behavior on the part of employees. But in a protean society, such as exists today, it is becoming increasingly clear that such a system lacks the adaptive qualities needed to remain viable.

One of the major factors in attempts to change concepts of organizational life has been the blending of the talents of the managers and social scientists. This has come about as the

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[1]Warren G. Bennis and Philip E. Slater, The Temporary Society (New York: Harper and Row, Publishers, 1968), p. 54.

result of the feeling by the professional managers that their institutions were not responsive to demands made of them. Many of the joint efforts of managers and scientists were in the direction of broader participation by the membership. Bennis and Slater discuss this relationship maintaining that:

> Many social scientists have played an important role in this development toward humanizing and democratizing large-scale bureaucracies. The contemporary theories of McGregor, Likert, Argyris and Blake have paved the way to a new social architecture.[1]

It seems that the genius of our age that is transforming organizations comes from this group and their colleagues. Probably no author's work has provided more impetus to the development theory than Douglas McGregor's classic, The Human Side of Enterprise. In that treatise, McGregor made a survey of the literature on management in an effort to ascertain the prevailing philosophy. He presented his results in a non-judgemental way and dichotomized them into two groups. He labeled the two "Theory X" and "Theory Y".

The Theory X was illustrated by three basic assumptions about the nature of man in relation to work.

1. Work is neither natural nor a congenial activity for the average man. Given the choice, he would prefer to do almost anything else.
2. This average man must be compelled to work. It must be a matter of survival, and the threat of dismissal or of other sanctions must be employed to insure that he will not indulge his natural penchant for not working.
3. If he must work, this average man would at any rate prefer not to think. Analyzing and making decisions are

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[1]Ibid., p. 3.

> hardly more congenial to him than work itself; he must therefore, be given detailed and continuing guidance as to what to do.[1]

Obviously, such a view of human nature leads to the conclusion that man will require close supervision. It leaves little room for individual discretion. The bureaucratic structure with its mechanistic operations borrowed from the military certainly seems useful in the management when one has such a concept of human nature. This contention was supported by Bennis, who wrote:

> First of all, it is interesting to note that modern industrial organization has been based roughly on the antiquated system of the military. Relics of the military system of thought can still be found in terminology such as "line and staff," "standard operating procedure," "table of organization," and so on. Other remnants can be seen in the emotional and mental assumptions regarding work and motivation held today by some managers and industrial consultants.[2]

Some of the assumptions he alluded to can be found in the work of McGregor, who enumerated these:

4. The average man is by nature indolent--he works as little as possible.
5. He lacks ambition, dislikes responsibility, prefers to be led.
6. He is inherently self-centered, indifferent to organizational needs.
7. He is by nature resistant to change.
8. He is gullible, not very bright, the ready dupe of the charlatan and the demogogue.[3]

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[1]Saul Gellerman, The Management of Human Relations (New York: Holt, Rinehart and Winston, 1966), p. 49.

[2]Bennis and Slater, op. cit., p. 5.

[3]Douglas McGregor, "The Human Side of Enterprise," Organizations and Human Behavior: Focus on Schools, ed. Fred D. Carver and Thomas J. Sergiovanni (New York: McGraw-Hill Book Co., 1969), p. 150.

An enterprise composed of persons possessing such characteristics would certainly warrant a very structured environment. A manager who assumes that his workers have such a child-like nature would provide a great deal of direction and control. He would see the source of motivation most likely as from the carrot and the stick.

The ultimate aim of management is to accomplish the purposes for which the organization exists. When a worker joins an organization he brings his own set of needs with him and he is hired to help the organization meet its needs. Many times these two sets of needs are incongruent and some method of ameliorating the difference between the two is needed. Certainly, the needs of the individual cannot be overlooked, but it must be recognized that without the satisfaction of the needs of the organization there is no justification for its existence.

There seems to be little doubt that there is a difference in the goals of the individual and those of certain types of organizations. Argyris made a study of the basic makeup of a healthy mature individual and the demands of traditional organizations and found them to be essentially antithetical. The healthy individual was seeking to grow toward a greater maturity and the management structure attempted to maintain him at a child-like state of passiveness. The basic task of management was to motivate the worker to perform his assigned duties with maximum efficiency.[1]

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[1]Gellerman, op. cit., pp. 43-48.

The traditional view of motivation held that man, as an economic creature, could be motivated by financial rewards, and if you increased the rewards, he would increase his productivity. This carrot and stick theory of motivation would seem to be open to question if one considers the need for increased direction and control that is implicit in McGregor's Theory X.

THE NEEDS OF MAN

A new theory of motivation of man based on his needs system holds some promise for the solution to this dilemma. This theory, developed by Abraham Maslow, may lay to rest the traditional carrot and stick theory. It is based on the premise that man possesses an infinite number of needs and that those needs are arranged in a hierarchal order based on the strength of their prepotency. The motivational process involving these needs was described as a straight line process by French, who saw it in this manner:

> The individual has needs (we will consider motive and tensions as synonymous with needs); he perceives alternative goals or outcomes which have the potential to satisfy these needs; activity occurs; and if the desired outcome is achieved, satisfaction results.[1]

Another treatment of the motivation process, that of Victor H. Vroom, saw it as being based on valence and expectancy.

> Vroom explains that a person's motivation toward an action at a particular time is determined by the anticipated values of all the outcomes (positive and negative)

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[1]Wendell French, The Personnel Management Process (Boston: Houghton-Mifflin Company, 1974), p. 91.

> of the action, multiplied by the strength of a person's expectation that the action will lead to the outcome sought. In other words, motivation is the product of the anticipated values from an action and the perceived probability that these values will be achieved by the action. The anticipated value is called "valence", and it is defined as the strength of a person's preference for one outcome in relation to others. The perceived probability is called "expectancy", and it is defined as the strength of belief that a particular act will be followed by a particular outcome. Motivation is defined as the strength of drive toward action.
>
> The motivational relationship is expressed in the following formula:
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> Valence X expectancy = motivation[1]

The significance of needs as motivators can be appreciated when viewed in the context of these two models. If a need serves as a motivator and the strength of that motivation is determined by the person's perception of the ability of a particular action to satisfy the need, then it is important to understand what a person's needs are.

It is no longer possible to consider man's needs as just those of food, shelter, and clothing. They are, rather, infinite and fit into a hierarchal structure. This hierarchy ranges from the lower high priority needs to the higher less potent ones. Maslow theorized that once a need was satisfied, it stopped serving as a motivator and it was replaced by the next higher need on the hierarchy. He explained the process in this manner:

> At once other (and higher) needs emerge and these, rather than physiological hungers dominate the organism. And when these in turn are satisfied, again new (and

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[1]Davis, op. cit., p. 60.

still higher) needs emerge, and so on. This is what he meant by saying the basic human needs are organized into a hierarchy of prepotency.[1]

This hierarchy of prepotency would include in order of priority: physiological needs, safety needs, belongingness and love needs, esteem needs and the needs for self-realization.[2] When a need is demanding satisfaction, it excludes all others from consciousness and serves as the focal point of man's behavior. The degree to which a need can affect the organism can be appreciated if one realizes that the attempt to satisfy it colors his perception of the world around him. For example, the thirsty man on the desert sometimes visualizes the presence of water in the form of mirages in an effort to satisfy his physiological need for water.

Once a need is satisfied, the person tends to lapse into a temporary state of satiation and the need system is dormant. However, because of the infiniteness of the system, there is another desire replacing the satisfied one, and it motivates the person toward another goal. All too often, man sets a goal and thinks, "If only I can satisfy this goal, then I will be happy." Unfortunately, this state of happiness is only a plateau and soon the need system is put into operation again. This seeming insatiability was recognized by Maslow who contended that, "Man is a wanting animal and rarely reaches a

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[1]Abraham Maslow, Motivation and Personality (New York: Harper and Row, Publishers, 1970), p. 38.

[2]Ibid., p. 46.

state of complete satisfaction except for a short time."[1]

Management is not oblivious to this phenomenon but continues to try to motivate man by satisfying the lower level needs. The increasing of rewards for the lower level needs can create problems not imagined. The problem can be understood if considered in this way:

> Physiological needs are essentially finite. Man can be surfeited on them so that more of them actually harm them. He can have too much water, food, or warmth, and, in fact, he sometimes oversupplies himself with them. He takes too much for his own good. The same relationship appears to hold true for safety and security needs. He can be or feel so safe that he soon becomes careless or defenseless. He can feel so secure that his drives and independence fade away, until he becomes fully dependent on others.[2]

The person who develops this dependency on others tends to become robot-like in the organizational environment, doing his programmed tasks in much the same way that the machines do. His personal discretion is minimal and, justifiably so, because the reasons for his labor are to satisfy his basic physiological needs. His higher level needs are met away from the workplace and so his energies are allocated on this basis.

In recent years, one of the areas of concern in the organizational psychology field has been that which deals with what brings about job satisfaction. This is based on the premise that a happy worker will be a productive worker. One of the more significant studies in this area was that of

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[1] Ibid., p. 24.

[2] Davis, op. cit., p. 47.

Frederick Herzberg and his colleagues. Their effort is of additional interest because it related to Maslow's needs theory in regard to job satisfaction.

The impetus for the Herzberg study came from a review of the existing literature on industrial motivation. As a result of that study, they found that job factors actually fall into two categories, satisfiers and dissatisfiers. They undertook an effort to ascertain, through the use of in-depth interviews with accountants and engineers, what made them satisfied or dissatisfied with their jobs.

The methodology Herzberg employed involved asking the interviewees to think of a time when they felt particularly good about their job and when they felt particularly bad about this or a previous job. The respondent was then asked to elaborate on the conditions that contributed to those feelings. The results indicated that different conditions caused good feelings than those which caused bad ones. As a result, Herzberg stated that some job factors contributed to job satisfaction and others to dissatisfaction and the two were not the same factors. Sergiovanni, who replicated the study using teachers and obtaining the same results, discussed Herzberg's findings:

> Herzberg hypothesized that some factors were satisfiers when present but not dissatisfiers when absent; other factors were dissatisfiers, but when eliminated as dissatisfiers did not result in positive motivation.[1]

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[1]Thomas J. Sergiovanni, "Factors Which Affect Satisfaction and Dissatisfaction of Teachers," Organizations and Human Behavior: Focus on Schools, eds. Carver and Sergiovanni, op. cit., p. 249.

The factors that tended to dissatisfy the workers when they were not present were related to the work environment and, as Sergiovanni suggested, the fact that those dissatisfiers were not present did not bring about job satisfaction. Herzberg referred to these factors as hygiene factors and contended that their presence would preclude dissatisfaction. He said:

> Factors involved in these situations we call factors of hygiene, for they act in a manner analogous to the principles of medical hygiene. Hygiene operates to remove health hazards from the environment of man. It is not a curative; it is, rather, a preventive. Modern garbage disposal, water purification, and air pollution control do not cure diseases, but without them we should have many more diseases. Similarly, when there are deleterious factors in the context of the job, they serve to bring about poor job attitudes. Improvement in these factors will serve to remove the impediments to positive job attitudes.[1]

The term maintenance was also used to describe these factors because they were needed to maintain employee satisfaction at a reasonable level. The factors that fit into this category or job context included "supervision, interpersonal relations, physical working conditions, salary, company policies and administrative policies, benefits and job security."[2]

It is interesting to note that these are the very areas that companies tend to work on to improve the work situation through some form of human relations or work incentive program. If Herzberg is right, such efforts will prevent dissatisfaction

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[1]Frederick Herzberg, Bernard Mausner, and Barbara Bloch Snyderman, The Motivation to Work (New York: John Wiley and Sons Inc., 1959), p. 113.

[2]Ibid., p. 113.

but will not bring about satisfaction because, "When these factors deteriorate to a level below which the employee considers acceptable, then job dissatisfaction ensues. However, the reverse does not hold true."[1]

In order to obtain the reverse effect other factors known as motivators must be developed. In essence then, the satisfaction on the job comes about as a result of the presence of these factors on the job, and, with the prospect of gaining that satisfaction, the worker is motivated. These motivators are found in the work situation and include achievement, recognition, work itself, responsibility, and advancement.[2]

Herzberg further distinguished between the two types of factors, saying:

> It should be understood that both kinds of factors meet the needs of the employee; but it is primarily the "motivators" that serve to bring about the kind of job satisfaction and, as we saw in the section dealing with the effects of job attitudes, the kind of improvement in performance that industry is seeking from its work force.[3]

The difference between the two can be further explained if one were to consider them as intrinsic and extrinsic motivators. The former related to the actual doing of the job and the accomplishment of the task served as its own reward; therefore, the work serves as its own motivator. The extrinsic motivators, that are the maintenance ones, occur away from,

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[1] Ibid., p. 113.

[2] Ibid., p. 60.

[3] Ibid., p. 114.

or after work and, therefore, satisfaction cannot be derived on the job but must be realized elsewhere. A look at management's attempts to motivate over the past few decades would find most of their efforts confined to the extrinsic type, as illustrated by fringe benefits, salary increases and company recreational programs.[1]

The evidence outlined at the beginning of this chapter regarding the effect of constant change on organizations would suggest that people are upset by change and have difficulty accepting it. The organization must become aware of the employees' attitudes, aspirations, and purposes if they are to get them to accept change. The reliance on authority, and the use of direction and control to maintain it, is no longer a viable way to motivate workers to the increased productivity management needs. The changing concept of the nature of man that social scientists are presenting is requiring a new look at managerial philosophy. The shortcomings of the older philosophy and its implication were spelled out by McGregor, who said, "Many managers would agree that the effectiveness of their organizations would be at least doubled if they could discover how to tap the human potential present in their human resources."[2]

The tapping of that potential is the task of modern management. The old ideology of closer supervision and increased

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[1]Davis, op. cit., p. 56.

[2]McGregor, op. cit., p. 4.

control is being replaced by a new philosophy. This new philosophy, based on the current research in the behavioral sciences, has a more positive view of man. It relies on self-direction and the integration of the goals of the individual with those of the organization.

Implicit in this philosophy is the recognition of the hierarchal needs system of Maslow and the data of Herzberg about the motivational ability of higher level needs. The continued satisfaction of the lower level economic needs is no longer sufficient in a post-industrial society of full employment and comprehensive social security because after they have been satisfied, they no longer serve as motivators. The source of the individual's motivation is found in the higher level needs such as esteem and self-realization.

The efforts to allow the individual to satisfy these high level needs are not readily successful because all of the needs are on a continuum and the individual people affected may not be located at the same point in the process. In spite of this difficulty, the importance of satisfying these needs was well illustrated by Herzberg, who maintained that:

> The concept of self-actualization, or self-realization, as a man's ultimate goal has been focal to the thought of many personality theorists. For such men as Jung, Adler, Sullivan, Rogers, and Goldstein the supreme goal of man is to fulfill himself as a creative, unique individual according to his own innate potentialities and within the limits of reality. When he is deflected from this goal he becomes as Jung says, "a crippled animal."[1]

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[1]Herzberg, op. cit., p. 114.

Man's life gains its purpose from his pursuit of his individual goals. If he is not able to realize the satisfaction of his goals in one area he will seek other areas to do so, but in the allocation of his energies, the significant portion of them will be saved for the areas of greatest satisfaction. Probably no greater portion of a person's life is devoted to endeavors other than to his work. Seemingly, this should be the area where he obtains very great satisfaction. Unfortunately, this does not appear to be the case, as evidenced by the increasing amount of absenteeism, turnover, strikes, and sabotage at the workplace.

The work of psychologists suggests that the effects of frustration are usually aggression and anxiety. The expression of aggression, however, is socially unacceptable except in certain prescribed ways and therefore unless those ways are used, further frustration can result. The usual methods of dealing with frustration are to tackle it head-on, retreat from it, or to develop new goals. In the organizational arena, these frustrations may be manifested by strike or sabotage in the first case, absenteeism, quitting or apathy in the second case and accepting the organization's goals, or just going outside the organization for satisfaction of their goals in the third instance.

The basic problem seems to be in the organization's and the individual's perceptions of one another's goals. There is a lack of congruence between the two. The resulting dysfunction

is the source of many of the modern organizational problems. The main difficulty seems to be management's continued reliance on motivational factors that see man as ceasing to grow in maturity; this, in spite of the individual's desire to be allowed to continue to grow unimpeded.

No one would suggest that it was possible to let every employee proceed in his efforts to self-realization unimpeded. On the other hand, since "Theory X" approaches don't seem to work management must find some way of achieving congruence between the goals and the needs of employees. Complete congruence of goals is unlikely but, certainly, it is hoped that they can be more compatible. One method likely to accomplish this involves an attempt to integrate the goals of the individual with those of the organization.

With the managerial philosophy espoused in "Theory X", such an integration is not possible because management must equalize its authority. This, according to the theory, results in loss of direction and control. These results are not seen as necessary, however, if one subscribes to McGregor's "Theory Y". This theory, though not diametrically opposed to "Theory X", was a significant shift and it rested on two markedly different principles, integration and self-direction. The assumptions underlying this theory, according to McGregor, were:

1. Management is responsible for organizing the elements of productive enterprise--money, materials, equipment, people--in the interest of economic ends.
2. People are not by nature passive or resistant to organization needs. They have become so as a result of experience in organizations.

3. The motivation, the potential for development, the capacity for assuming responsibility, the readiness to direct behavior toward organizational goals are all present in people. Management does not put them there. It is the responsibility of management to make it possible for people to recognize and develop these human characteristics for themselves.
4. The essential task of management is to arrange organizational conditions and methods of operation so that people can achieve their own goals best by directing their own efforts toward organizational objectives.[1]

Theory Y, then, saw management as a facilitator, whose function was to bring together the needs of the individual and those of the organization, in an organizational setting most suited for maximizing them both. The recognition that man is self-directed was mandatory if this philosophy was to be accepted. This was not to say that every person had the same amount of self-direction, but in a matrix society such as exists today, it is necessary to recognize that every person has the propensity for self-direction and structures must be adapted to those unique needs. This selective adaptation process, as McGregor called it, can only work with a change of ideology about the nature of man, one that will allow the discovery and utilization of everyone's potential.[2]

The key to any real change in society's organizations rests with a changing philosophy of man in practice as well as in theory. Using this as a basis, the unique needs of the individual must be sought and ways found to help him satisfy

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[1]McGregor, op. cit., p. 154.

[2]Ibid., pp. 103-106.

them in the work environment. This will not be done unless he has some input into it at the beginning of the process because without integration at the outset, it cannot take place. Such input will not occur, however, unless there is a marked change in leadership style.

THE SELECTION OF A LEADERSHIP STYLE

The primary responsibility for the introduction of changes, like those discussed by Maslow, Herzberg, and McGregor, rests with the leadership of the organization. Their success in effectively integrating such changes will depend in no small measure on the leadership they provide. It is for this reason that they must be aware of the various leadership styles and the factors that point to their appropriateness.

This is no small task and it is fraught with complications. There is a variety of factors that must be taken into consideration as to the appropriateness of a leadership style and each should be thoroughly explored. Tannenbaum and Schmidt, in their study of the leadership selection process, proposed that there were three factors that influenced the selection. Those factors or forces were those found in the manager, those found in the subordinates and those found in the situation.[1]

The forces in himself that a leader should look at as

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[1]Robert Tannenbaum and Warren H. Schmidt, "How to Choose a Leadership Pattern," Human Relations in Management, eds. S. G. Huneryager and I. L. Heckmann (Cincinnati, Ohio: South-Western Publishing Company, 1967), p. 295.

a part of this selection, according to Tannenbaum were, "his unique value system, his confidence in his subordinates, his own leadership inclinations and his feelings of security in an uncertain situation."[1]

The importance of the influence that these factors wield in the selection of a leadership style was emphasized by Tannenbaum, when he wrote:

> The manager brings these and other highly personal variables to each situation he faces. If he can see them as forces which, consciously or unconsciously, influence his behavior, he can understand what makes him prefer to act in a given way. And understanding this, he can often make himself more effective.[2]

The importance of the philosophy of the manager, previously pointed out by McGregor, and re-emphasized here, is unquestionable, but it is interrelated with the type of people to be led and, so, one must understand the nature of his subordinates. In light of the trend toward greater freedom in organizational life, it would seem wise to look at what characteristics people should have who are to be led in that manner. Tannenbaum proposed that, before selecting such a leadership pattern, the leader should determine to what degree his subordinates have:

1. A relatively high need for independence.
2. A readiness to assume responsibility for decision making.
3. A relatively high tolerance for ambiguity.
4. An interest in the problem and feel that it is important.

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[1]Ibid., p. 296.

[2]Ibid., pp. 296-297.

5. An understanding of and can identify with the goals of the organization.
6. The necessary knowledge and experience to deal with the problem.
7. Learned to share in decision making.[1]

Even if the philosophy of the manager is consistent with the forces in the subordinates, it does not guarantee success for the style of leadership he chooses because the context they operate in must be considered. The situational factors can distort the others to such a degree that an otherwise good choice may seem inappropriate. An example of such a situation would be the imposition of authoritarian measures in the United States during a national emergency. The first two factors are the same but the nature of the situation dictates a different type of leadership. Generally, a leader should consider the following before selecting the type of leadership pattern he will use in a situation:

1. The type of organization involved.
2. The effectiveness of the group.
3. The nature of the problem that is calling for leadership.
4. The amount of time available to develop a solution.[2]

Tannenbaum hypothesized that by taking these factors into consideration the leader could select the proper leadership pattern more effectively. He saw the choices as existing on a continuum ranging from an autocratic style on the one pole to a free reign type on the other. In between these two extremes he had a variety of styles each differing in degree from its

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[1] Ibid., p. 297.

[2] Ibid., pp. 298-299.

predecessor by the amount of subordinate involvement in the decision making role.

In Figure 2, which is a replication of his model, the interrelatedness of the decision making process with the leadership style can be seen.

It seems, then, that if the manager is to make his organization responsive to the changes being demanded of it, he must determine the best way to do it and then provide them with the leadership to develop that capability. Even though participation seems to be the best way to develop that capability, the leader must keep in mind that its effectiveness is contingent on the factors mentioned by Tannenbaum. Lippit also noted that the success is tied to a number of variables, maintaining that:

> The amount of appropriate participation, involvement, and delegation is not only related to the skills of the leader and the ability of the group members, but also to the nature of the existential situation as it is influenced by organizational needs, response to the environment, and the interfacing process in the human subsystems of the organization.[1]

In essence then, when a leader elects to use a participatory leadership style, its success will be determined by how well he has analyzed the forces at work in the situation. Therefore, one must recognize that participation will vary in degree depending upon the makeup of the organization or the group.

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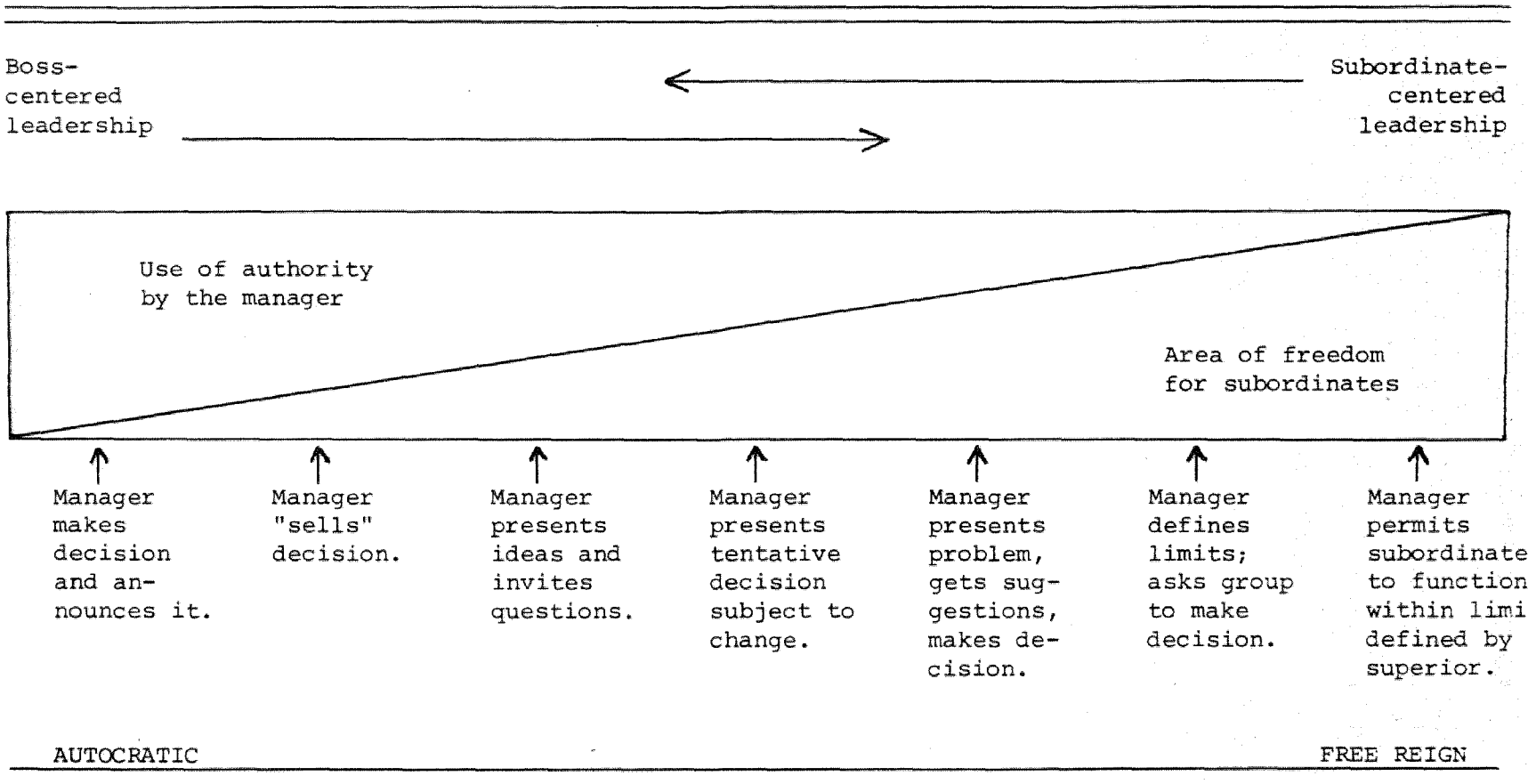
[1]Lippit, op. cit., p. 87.

Figure 2

Continuum of Leadership Behavior



Adapted from Robert Tannenbaum and Warren H. Schmidt, "How to Choose a Leadership Pattern," Harvard Business Review, 36:96, March-April, 1958.

THE FOUNDATIONS OF PARTICIPATION

The origins of participation are rooted in the nature of man. Man by his nature desires to participate in things that affect his life. The democratic ideals that are espoused in American life have their origins in this desire for participation. The function of the primary institutions of American life has been to develop with the youth of the society an appreciation for the principles of democracy and the need to practice those principles.

In spite of this national commitment to democratic ideals and the desire to have people practice them through sharing in decisions that shape their destiny, one finds the idea to be more a theory than a reality in the industrial society. Ralph Besse perceived participation as having diffused from religion through government and finally to business. He described this diffusion and its evolution in this manner:

> Two thousand years ago we had participation in the religion which has come to dominate the Western world. Two hundred years ago we put this essential element in our political and social structure. We are just beginning to realize that we ought to put participation in business as well.[1]

Besse's statement, written in the late 1950's, seemed to be signalling a new era in management. The concept was gaining wide acceptance at this time but it was not new to the industrial scene. One can go as far back as the early part of this century

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[1]Ralph M. Besse, "Business Statesmanship," Personnel Administration, 20:12, January-February, 1957.

and find it suggested that there was a need to democratize industrial organizations. At that time, the U.S. Congress, possibly in response to the impending war in Europe, appointed a committee to study the state of American industrial society. The results of that study were discussed by Robert Schwab in a discussion of participation. He stated:

> Actually, the idea of participation isn't new--it is probably as old as the human values that brought democracy into the system of world governments. In our country back in 1912, the Congress of the United States appointed a Commission on Industrial Relations, which made an intensive study of the problems of the industrial organization. Among their findings, issued in 1914, this Commission says, "The question of industrial relations assigned by the Congress to the Commission for investigation is more fundamental and of greater importance to the welfare of the nation than any other question except, perhaps the form of government. The only hope for the solution of the tremendous problems created by industrial relations lies in the effective use of our democratic institutions and in the rapid extension of the principles of democracy to industry."[1]

In spite of the urgent plea of the committee to extend the principles of democracy to industry to help solve their human relations problems the committee's requests went unheeded. Except for a few isolated cases, the old traditional methods were used to guide organizational life. Some notable scientific attempts at implementing participation were tried during the interim between the Commission report and the 1950's. The most noteworthy of these were the efforts of Mayo, Bavelas, and Coch and French. Each of these efforts were attempts by social scientists to satisfactorily introduce change into a group.

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[1]Robert E. Schwab, "Participation Management--The Solution to the Human Relations Problems," Selected Reading in Management, ed. Fremont A. Shull (Homewood, Illinois: Richard D. Irwin Inc., 1958), p. 229.

Mayo's study, made at a Western Electric plant, was designed to measure the effect of different types of illumination on worker productivity. As a part of their design, they allowed some of the workers the opportunity to select their own break time and it resulted in an increased productivity. This was not the only causitive factor but it was contributory and it also made them aware of the part that participation played in change.

Another important finding made by the Mayo group was the recognition of the informal work group. This was a group of workers formed as a sort of protection from the dehumanization of the formal group. These groups, although not considered to be very effective by the researchers, were identified by them and the need to work with them suggested. The importance of such groups in an industrial setting is that they can serve as an organized effort to resist change. Management, perceiving these groups to be antagonistic to their goals, began to develop human relations programs to cope with them.[1]

Society was becoming more and more competitive and in order to survive, companies were demanding greater productivity. Many of the changes being implemented at this time, whether they were technological or structural, were developed for that purpose. As was noted earlier in this paper, there was a resistance to such changes and it came in the human subsystem of the organization and, so, much of the research in work groups was designed to find ways of making change palatable.

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[1]Gellerman, op. cit., pp. 28-32.

Bavelas' research, conducted with a group of employees in a sewing machine operation, was designed to find out the effect of participation in setting work standards. The subject group, a superior work team, was asked to develop their own production standard. The group did this by holding a series of meetings and they agreed on a new rate of 85 units. The new rate was successfully met and they were then asked to set a new standard. The second standard proved to be too high and they had to readjust it. When it was dropped to 90 units, they were able to meet and maintain that level.[1]

Coch and French, working with a group of sewing machine operators, reported findings that were generally in agreement with Bavelas'. They divided the operators into three groups and used three different ways of introducing a change into the groups to see which way was most effective. In the first group, the change was just announced, in the second group, representatives were chosen to discuss the change before it was made, and in the third group, the membership met to discuss the change before it was implemented. The results found the first group unable to handle the change and they eventually had to be disbanded, the second group was able to return to their previous level of proficiency after a two week delay, and the third group improved their performance after a period of time allowed

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[1]Keith Davis, "The Case for Participative Management," Human Relations in Management, eds. Huneryager and Heckman, op. cit., p. 616.

for adjustment.[1]

All of these studies found that participation can facilitate the introduction of change and the reason for this success may be found in Kahn's work on role behavior. He theorizes that man, as he goes about the task of living in society, fills a number of different positions or roles--father, churchmember, husband, employee, etc. Each of these roles requires a certain behavior and that behavior is based on the perceptions of a variety of different people. Each of these perceptions are ideas of what the person sees as the proper behavior for the role. The role incumbent or the person in the role has a theory of what the appropriate behavior is, his peer group in that role has a theory and others outside of the group have a theory. If all of these perceptions of the role are in agreement, the role is a pleasant one, but if they are in disagreement, it can result in role conflict for the incumbent.

A person can experience conflict when the goals of the formal organization expect a type of behavior from him that is incongruent with his informal peer group. This conflict can be very damaging and the person usually seeks ways of alleviating it. This may take the form of a defense mechanism or some other form of withdrawal, or resisting the formal organization by participation in an informal group, or the acceptance of the goals of the formal organization as his own. A convergence of

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[1]Ibid., p. 142.

the goals of the two groups can drastically diminish the conflict in such a situation and participation, with its give and take, is one method of accomplishing this.[1]

It was evident, on the basis of the material cited thus far, that contemporary society was changing. Man's needs were becoming much more complex and his expectations on the job were more sophisticated. He no longer accepted gratification of lower level needs as a source of motivation and, as Maslow and Herzberg pointed out, man was seeking greater personal fulfillment on the job as a requisite for maximum efficiency.

The old bureaucratic structure with its negative concept of man was unable to respond to this changing environment and, as McGregor suggested in his "Theory Y", a new type of structure was needed. One that allows the members to participate in its operation seems to be successful. The trend toward this new type of structure and some of its causes was spelled out by Duncan Neuhauser, who found that:

> In recent decades, the U. S. workforce has become more highly educated, more professionalized and the tasks more complex. This would suggest the general trend toward more flexible, participatory, organic, structures throughout the economy.[2]

The seeds of participatory management have long existed in the national values system, but the need for their implemen-

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[1]Robert L. Kahn, "Role Conflict and Ambiguity in Organizations," Human Relations in Management, eds. Huneryager and Heckman, op. cit., pp. 642-645.

[2]Duncan Neuhauser, "The Hospital As A Matrix Organization," Hospital Administration, 17:14, Fall, 1972.

tation and the conditions necessary to allow them to reach fruition have only recently begun to appear in measurable amounts. Management's evolving concept of the nature of man in the workplace, the new motivational concepts developed by Maslow and Herzberg and the general climate of change in America today, have probably provided the fertile soil for those seeds. The key to the whole process seems to be change and the need to develop the capability to cope with it. The evidence being developed in research seems to indicate that when workers are allowed to participate in implementing a change it is more likely to succeed. Bennis and Slater feel that this is the only option open to management in a rapidly changing society. They state their contention in this way:

> Our position is, in brief, that democracy (whether capitalistic or socialistic is not at issue here) is the only system that can successfully cope with the changing demands of contemporary civilization.[1]

They went on to cite some research done at M.I.T. that illustrated support for their contention. The results of that research on organization and communication indicated that:

> Specifically: for simple tasks under static conditions, an autocratic, centralized structure, such as has characterized most industrial organizations in the past, is quicker, neater, and more efficient. But for adaptability to changing conditions, for rapid acceptance of a new idea, for "flexibility in dealing with novel problems, generally high morale and loyalty"...the more egalitarian or decentralized type seems to work better.[2]

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[1] Bennis and Slater, op. cit., p. 2.

[2] Ibid., p. 5.

It is becoming increasingly clear that the static conditions conducive to autocratic leadership are disappearing and that today's workers are demanding a part in the changes that affect their lives. If these demands are not met it can lead to a psychologically damaging situation that can cause worker resistance to proposed changes. Lippit saw participation as a way of lessening this resistance and pointed out some of the implications of such a course of action. He suggested that:

> Resistance to change will be less intense when those to be affected, or those who believe they might be affected, know why a change is being made and what the advantages are. This can be done most effectively by letting them participate in the actual planning. Besides helping them to understand the when, what, where, and why of a change, participation eases any fears that management is hiding something from them. In addition, participation can stimulate many good ideas from those best acquainted with the problem that necessitates the change. It also alerts a leader to potential problems that might arise when the change is implemented. Such an approach, because people tend to better understand what they create, also advantageously involves people in the diagnostic and creative processes. Thus, if they help make the diagnosis, they more readily accept the prognosis--which is to say that the employees can seldom be treated like a doctor treats a patient, by mysterious prescription.[1]

Improved communication up and down the structure seems to be a benefit derived from participation. It is important that management recognize that the continued existence of employee desires to share in decisions on change is as certain as the continuing climate of change. They must devote proper attention to understanding it. For, as Keith Davis warned:

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[1]Lippit, op. cit., p. 150.

> The basic demand of employees to participate is not a passing fancy. It is rooted deep in the culture of free men around the world, and it is probably a basic drive in the nature of man himself. Because of its significance and permanence, participation is the kind of practice to which managers need to devote long-range efforts. It affords a means of building some of the human values needed at work.[1]

Recognizing the fact that the desire to participate is a very fundamental one and that its presence on the organization scene is a permanent one, the author feels compelled to describe the form it usually takes. The next section of this chapter is devoted to that task.

TOWARD A DEFINITION

Participation can take a number of forms but there are two features that seem to be common to all the various types. First of all, because it must involve people, it can be viewed as a social act and secondly, there must be sharing or taking part in something to have participation. In essence, then, all participation is the taking part or sharing in a social situation.

One distinguishing characteristic is that there are varying degrees of involvement in the process. Anyone who has ever watched a work group knows this. Some people seem to be only superficially involved, performing in a perfunctory manner, and others are actively engrossed energetically doing their tasks. The first person appears to be in agreement with

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[1]Davis, op. cit., p. 151.

the goals of the group because he is a part of the group but the second person appears committed to the goals because he wants to see them met.

The difference between the two types of involvement is one of degree. Everyone is physically involved in the process of participation, but we are hypothesizing that the more active members are also emotionally involved. This can be accomplished by having them believe in and feel a responsibility for the goals of the group. Such an attitude tends to maximize performance. Davis recognized the importance of greater commitment and the effect it had on participation when he defined participation as the, "mental and emotional involvement of a person in a group situation which encourages him to contribute to group goals and share responsibility in them."[1]

One form that this type of participation often takes is that of allowing the subordinates to share in developing organizational goals or planning new changes. In either case, it requires that the employees be allowed to take part in organizational decision making. In this connection, it is important to recognize that decision making is a sequential process and not a single isolated act. The popular conceptualization of the lonely solitary figure making a great decision is more fiction than fact.

Tannenbaum and Massarik, in their study of decision making, saw it as a three step process, and although there are

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[1]Ibid., pp. 151-152.

other models with more steps, theirs will suffice for purposes of illustration. According to the three step model, when a problem develops, the first step is to determine all of the possible solutions for it. Then, each solution must be considered on its own merits and then on its advantages in relation to the other solutions. The final step then is to select the choice that seems most appropriate in light of the facts. As a result of this, one can see that decision making is a systematic process rather than a solitary act.

Tannenbaum theorizes that people who make up the group can only participate in the first two steps of the decision making process. The final act of deciding rests solely with the leader.[1] Be that as it may, the fact still remains that there is an opportunity for members to participate in decision making as it relates to their lives in the organization.

The role of decision making typically has rested with management because they have had the authority to insure that the decision is carried out. Griffiths saw decision making as the responsibility of administration since they are charged with regulating it in the most efficient manner possible.[2] The most proper manner would depend on the unique situation but those decisions relating to the operation of the organization

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[1]Robert Tannenbaum, Irving R. Weschler, and Fred Massarik, Leadership and Organization: A Behavioral Science Approach (New York: McGraw-Hill Book Co., Inc., 1961), p. 91.

[2]Daniel E. Griffiths, Administrative Theory (New York: Appleton-Century-Crofts, 1959), p. 73.

and the development of their goals generally can benefit from subordinate input.

Chester I. Barnard in his classic book, The Function of the Executive, emphasized that to locate the decision making process in one person was unnatural. He felt that:

> The formulation of organization purposes or objectives and the more general decisions involved in this process and in those of action to carry them into effect are distributed in organizations, and are not, nor can they be, concentrated or specialized to individuals except in a minor degree.[1]

Decision making is dispersed from the top to the bottom of the structure and its influence at the lower levels is most important. Barnard suggested:

> At the low levels decisions characteristically relate to technologically correct conduct, so far as the action is organization action. But it is at these low levels, where ultimate authority resides, that the personal decisions determining willingness to contribute become of relatively greatest aggregate importance.[2]

Without a commitment to the goals on the lower levels of an organization, there can be little true participation; therefore, it is important that each person be allowed to participate in organizational decision making, within the limits of reality, to insure maximum contribution toward those goals.

As was pointed out previously, the success of many organizational objectives is determined by the amount of commitment the members have for those objectives. Participation

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[1]Chester I. Barnard, The Function of the Executive (Cambridge, Mass.: Harvard University Press, 1938), p. 187.

[2]Ibid., p. 192.

is one method of strongly involving the members in the satisfaction of those goals. It offers the subordinate the opportunity to help plan and create ideas and, thereby, gives them a sense of ownership in the goals. This is most often accomplished by allowing subordinates to share in the decision making process within the limits of their capabilities.

This, then, is what participation is and it helps to explain why it is so effective in a changing environment.

NEW RESEARCH ON MANAGEMENT

There is some new research in the area of management that has some implications for organizations that are attempting to become more participatory. This research has served as the genesis for the situational or contingency management theory. It is based on the idea that the unique factors in the situation determine the type of management that should be employed. This theory does not disregard participation but rather it tries to make it contextually correct. Mockler discussed the role of participation in situational management, saying:

> Recent research has not abandoned the participative approach; rather it has defined the areas in which participative management is and is not an effective management tool and, even more important, identified the kinds of participative management most effective for different kinds of supervisors in different kinds of situations.[1]

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[1]Robert J. Mockler, "Situational Theory of Management," Harvard Business Review, 49:148, May/June, 1971.

This philosophy has a special significance for the present study because of the nature of the subject institution. Hospitals are among the most complex organizations that humans are called upon to direct. The skills level ranges from the highly skilled medical team member with his collegial relationship to the low level housekeeping employee with his hierarchal structured management system.

Obviously, the professional medical team member, with a great amount of personal discretion, requires a more open management structure to coordinate activities than does the low-skilled worker, whose activities are generally directed and controlled by a formal structure. This differentiation is an example of the situational management theory at work in the hospital setting. The effectiveness of situational management in this setting was documented by Neuhauser, who felt that:

> Contingency theory would suggest, and the empirical evidence supports the idea, that this is fundamentally a rational way to organize a hospital given the current technology and tasks involved. It also explains the persistance of this organizational form in thousands of independent hospitals.[1]

There is a basic problem that confronts the administration of such an organization, because of vast differentiation. In spite of its importance, good coordination does not guarantee an efficient operation of such an enterprise. "The problem sets in when the amount of coordination required produces information overload in the hierarchy, and it fails to keep up

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[1]Duncan Neuhauser, op. cit., p. 15.

with the need for rapid and complex decisions."[1]

Some of the possible solutions to this problem of integrating the efforts of diverse departments in a situational system were discussed by Neuhauser, who suggested that:

> The hierarchy can be strengthened by the use of staff personnel, planning departments, assistants-to, clerical personnel, etc. If this is not sufficient, lateral coordinating mechanisms come into play such as management committees, work teams (e.g. the patient care team), special integrators (e.g. unit managers) or most frequently direct contact between people in different departments. Also there are structural changes which can be undertaken. Decentralization and professionalizations can push complex decisions down the hierarchy, however, at the price of coordination between decentralized divisions or between independent professionals.[2]

Neuhauser goes on to state that some of these devices seem to enjoy a greater amount of status than some of the others. He proposed that:

> Of these lateral coordinating devices, the most prominent in hospitals are management committees, the medical staff organization, unit managers and the patient care team. The patient care team, consisting of the physician in charge of the patient and those consultants and paraprofessionals who aid and assist him, is of great importance when one considers that physicians initiate most hospital activities and expenditures.[3]

The difficulty with decentralized decision making in the hospital setting seems to center in the problem of how to maintain a coordinated method of managing diverse talents and, at the same time, avoid the inflexibility that can result from

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[1] Ibid., p. 15.

[2] Ibid., pp. 15-16.

[3] Ibid., p. 16.

an information overload in a hierarchal structure. A solution may be possible if one recognizes the hospital as a matrix organization. Neuhauser used this approach when he wrote:

> The existence of both hierarchal (vertical) coordination through departmentalization and the formal chain of command and simultaneously lateral (horizontal) coordination across departments (the patient care team) is called a Matrix Organization.[1]

With the diversity of talents and the amount of change taking place in the health care field, the administration of modern hospitals is a difficult task. No single management system is satisfactory and, to direct such an institution effectively, a manager must be aware of a variety of management styles. As Neuhauser suggested:

> They must be skilled in different management styles, both participatory and hierarchal. They must maintain a high degree of differentiation along departmental lines and integrate them simultaneously. They must do so in an industry where performance is exceedingly difficult to measure. Not only is the state of the hospital as a matrix organization complex, it is constantly changing. Technologies are changing, levels of professional competence are increasing, and once-difficult tasks are being routinized and taken over by less skilled people. The hospital, with its participation by professional employees, its difficulty in measuring performance and its potential for abuse of multiple authority, calls for maintenance of a high degree of goal congruence on the part of professional and paraprofessional workers.[2]

The problem of leading such an organization is a most difficult one. Because of the situational factors involved, it is necessary to have a process by which the entire

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[1] Ibid., p. 19.

[2] Ibid., p. 25.

organization can be effectively moved. One method that may provide the answer to the dilemma is organizational development. This process, which sees organizations as systems, has gained in popularity among management consultants in recent years. It is a behavioral science approach that:

> ...Is a long-range effort to improve an organization's problem-solving and renewal processes, particularly through a more effective and collaborative management of organization culture--with special emphasis on the culture of the formal work teams--with the assistance of a change agent, or catalyst, and the use of the theory and technology of applied behavioral science, including action research.[1]

Although it is not the intent of this paper to provide an exhaustive study of this process, it is necessary for the author to point out some of organizational development's basic features to provide an understanding of how it works. There must be some guidelines or goals developed to provide the group with some guidance about their changing role. French and Bell saw this as an integral part of the process, sharing in importance with improved problem solving and renewal processes. They said, "Thus, along with ideas about improved problem-solving and renewal processes are the important notions of purpose and direction--all of which are central to organization development activities."[2]

The process is composed of a number of sequential steps

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[1]Wendell L. French and Cecil H. Bell, Jr., Organizational Development: Behavioral Science Interventions for Organization Improvement (Englewood Cliffs, New Jersey: Prentice-Hall Inc., 1973), p. 15.

[2]Ibid., p. 16.

that Lawrence listed as, "Diagnosis, Design, Action-Planning, Implementation and Evaluation."[1] The initial step, the diagnosis stage, is involved in the gathering of information. This can be done in a number of ways but two of the more common methods are the use of interviews or questionnaires with team members. The purpose of this procedure is to find out as much valid data about the organization as one can. Typically, a third party interventionist is already involved in the process at this stage.

After the data have been gathered, the interventionist begins to develop a plan for the organization to move toward the goals desired, utilizing the people in the group. This is a difficult educative process because the basic premise of OD is that, "the only viable way to change organizations is to change their 'culture', that is, to change the systems within which people work and live."[2]

This organizational culture consists of the formal and the informal parts of the organization and requires that the changes reach down to the very basic parts of the environment, those that make up its philosophy. Bennis described the process in those terms stating that:

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[1]Paul R. Lawrence and Jay W. Lorsch, Developing Organizations: Diagnosis and Action (Reading, Mass.: Addison-Wesley Publishing Co., 1969), p. 49.

[2]Warren G. Bennis, Organizational Development: Its Nature, Origins, and Prospects (Reading, Mass.: Addison-Wesley Publishing Co., 1969), p. v.

> Organization development (OD) is a response to change, a complex educational strategy intended to change the beliefs, attitudes, values, and structure of organizations so they can better adapt to new technologies, markets, and challenges, and the dizzying rate of change itself.[1]

The action-planning stage requires that a method be developed to bring about the necessary changes in the structure to allow it to revitalize itself. This is usually accomplished through the work teams and requires the membership be re-educated about their attitudes, values, and beliefs in relation to the new plan. The purpose of this phase is to use the change agent's data about the organization to help them develop the expertise to deal with their environment in an ongoing way.

The next step is to put the action-plan into practice; this the interventionist must do with a minimum of dysfunction to the system. The method the interventionist chooses to change the organization and the success of it, will depend in large measure on how much valid data was generated in the information gathering stage.

Regardless of the action-plan implemented, there is still one more important phase of the development process. This phase, the evaluation phase, is of consequence because it illustrates the effectiveness of the intervention and provides information for future renewal. The ongoing nature of the process is illustrated by the fact that it is circular in operation with no ending point. The feedback mechanism measures success or failure and provides data for further renewal.

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[1]Ibid., p. 2.

The important features of the process, as defined by French, are the fact that it is long ranged, its use of collaborative management to improve the organizational problem-solving and renewal capabilities, and the use of an interventionist to facilitate the process. The long range feature points out the need for the process to be ongoing in nature. The use of the collaborative management method points out the need for allowing the members to participate in the change. The problems are more easily handled at the spot where they first appear and, therefore, the use of collaboration can help them to make the organization aware of problems more quickly. This may make the renewal capabilities much easier to develop. The use of the third party person is designed to provide objectivity to the whole process.

French felt that there were seven characteristics that were unique to OD and they could be used to describe what it is. They were:

1. An emphasis, although not exclusively so, on group and organizational processes in contrast to substantive content.
2. An emphasis on the work team as the key unit for learning more effective modes of organizational behavior.
3. An emphasis on the collaborative management of work team culture.
4. An emphasis on the management of the culture of the total system and total system ramifications.
5. The use of the action research model.
6. The use of a behavioral scientist change agent, or catalyst.
7. The view of the change effort as an ongoing process.[1]

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[1]French and Bell, op. cit., pp. 19-20.

In summary then, OD is designed to develop self-correcting systems of people who learn to organize themselves in a variety of ways according to the nature of their tasks, and who continue to expand the choices available to the organization as it copes with the changing demands of a changing environment. This is accomplished by improving the problem-solving potential of the group, by educating them about how to continuously identify human resources and by finding better ways to allocate and expand them.

SOME IMPLICATIONS FOR THIS STUDY

The subject institution in this study employed an industrial psychologist as an interventionist to work with a work team composed of middle management personnel in key positions to help them develop greater participation in the operation of their enterprise. The purpose was to make the organization more responsive to the changes taking place in its internal and external environment. The subject institution hoped to accomplish this through the use of increased participation in the decision making process of the organization regarding the development of organizational goals.

One of the voids in the data gathering process of this effort was a measurement of the perceptions of the group members about the planned change to greater participation. This was the author's purpose in this study, to measure those perceptions. This is why the study sought to review the literature

on the effect of change on organizations, the changing concept of man and the forces it takes to motivate him; to better understand what was involved in the hospital's renewal process. This will help to understand the transition of the organization.

It should be clear that as organizations become more complex it is no longer feasible to rely on a single management pattern to operate them. The modern hospital is an example of such an institution that requires a system that will take into consideration the unique factors of the situation and, yet, help it develop the ability to cope with change. The OD process, with its action research format seems to provide that capability if the data gathered about it is valid.

Chapter 3

METHODOLOGY

During a three month internship at Mercy Hospital in Des Moines, Iowa the organization was studied, interviewing management personnel, observing various departments in action, attending administrative meetings, and reading documents relative to the institution and its operation. These efforts indicated that the hospital was involved in a process of renewal aimed at increasing the participation of managerial personnel in the long range planning of the enterprise.

The chief administrator, a member of the governing religious order, the Sisters of Mercy, was committed to participative management as a result of the directives to enact it expressed in the Mercy Covenant and in Vatican II. She had been involved in implementing these directives since the beginning of her tenure in that position. She recognized the changing nature of health care with its increased public input and technological sophistication, and she felt that increased participation by subordinates would help make Mercy more responsive to those changes. This was of especial importance because of the impending opening of a new wing built on a new concept of hospital care called the Friesan Plan.

This plan called for increased automation of the routine day to day tasks and the elimination of some traditional hospital concepts such as the nursing station. The nursing station was to be replaced by a central communication system designed to page nurses who were in that wing of the hospital. Each room was to be a single patient room and most of the services would be self-contained in the room. The basic idea of the plan was increased medical care for the lowest possible cost and this was very important in an increasingly cost conscious industry.

The renewal efforts cited in the first paragraph were aimed at the human resources of the institution and the initial area of development was the administrative staff. The only available baseline for a starting point for the program was the present management's perceptions of the previous administration's leadership pattern. The renewal program had been in existence for three years at the time of the writer's internship, but there had been no effort to determine their progress. The research assignment centered on a process to evaluate their progress in that renewal--to describe the present state of the effort, the possible future trends, and any possible problem areas that might need further development.

THE INSTRUMENT

The first thing attempted was to undertake a review of the literature on participation to develop an understanding of

it, its evolution and some possible problems that it might encounter. After the review, an instrument was sought that could be used to objectively measure the progress of that process in some descriptive manner.

The instrument that was selected was a modified version of Rensis Likert's Profile of Organizational Characteristics. This version consisted of 19 items and a scale of 20 points for each. The scale was divided into four parts called systems; each system represented a different management pattern and occupied five points on the scale. The patterns from left to right were exploitive-authoritative, benevolent-authoritative, consultative, and participative group.

The scale used was similar to the original version with the same systems and measuring six of the same organizational characteristics. The major difference between the two versions was the number of items on the instrument. This was not considered to be a problem in generating relevant data. The psychometric information about the test presented by Robinson and his colleagues recommended using the shorter version if one had not had experience with Likert's aim.[1] Because the author lacked this experience it was decided to use the short version. The fact that the scale has high item homogeneity lent confidence to the conclusion that the short version would be a satisfactory instrument.

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[1] John P. Robinson et al., Measures of Occupational Attitudes and Occupational Characteristics (Ann Arbor, Michigan: Institute for Social Research, 1973), p. 277.

THE SAMPLE

As was noted in the first chapter of this paper, one of the major objectives of the hospital was to increase the opportunity for the middle and upper management people to share the authority and responsibility of the organization's long range planning. For this reason, the renewal efforts of the institution were aimed at these managerial levels and the evaluation of its effectiveness was made with these personnel.

The sample was divided into three groups for the study. The first group was the administrative team; it was composed of the administrator and her four assistants. The evaluation involved only the four assistants because it was felt that the administrator was in agreement with the goals of the organization regarding participation. The four assistants were all university trained with two educated in hospital administration and two being graduated in personnel management and business.

The second group was the middle management level of the hierarchy, the department heads. This was composed of nineteen people but only sixteen of them were actually assessed because of changes taking place in the membership at the time of the evaluation. This group answered directly to the administrative team members and served as the nucleus of the weekly administrative staff meetings that were concerned with the operation of the hospital.

The individual members of the group represented a wide range of talents from medical doctors to skilled craftsmen,

with the large majority being university prepared. They were actually the backbone of the renewal effort serving as a sounding board for upper management and a communication link to the supervisory level.

The third group used in the research consisted of the supervisors of the hospital. They serve as the immediate link between the rank and file and the administration and therefore, are critical to the success of any plans of the organization. An additional unique characteristic of this group was the fact that they were the only management level personnel who were visible at night and on weekends when no other managerial members were available. This group was made up of 34 members with training ranging from PhD's to persons who learned their skills on their jobs. Three members of this group failed to turn in their questionnaires and one signed his completed copy and the writer felt that it might not be valid because of this and did not use it. Consequently, the number used in the study was 30.

The study trichotomized the research subjects in this manner because it was felt that the different levels of management held different perceptions of the leadership style of the organization and if an accurate description were to be obtained, it must allow for intergroup differences. In addition, if an effective prescription for future renewal efforts was to be made, a level by level assessment was needed for greater specificity. With this in mind, the research was undertaken.

THE ADMINISTRATION

The first step in the assessment procedure was a meeting with the administrative team to go over the plans for the evaluation and to obtain their views on it. The team was in agreement with all facets of the plan and recommended that a presentation be made at the next weekly meeting of department heads. The proposal was placed on the subsequent agenda for presentation of the evaluation plan for information and discussion by the administrative departmental heads. This was done.

The author distributed copies of the instrument and went over directions for completing it. What the study was designed to accomplish and who would be participating was explained. It was determined that department heads would distribute the instrument to their supervisory personnel with instructions to return the completed instruments to one of the secretaries in the administrative offices.

When he got these data, the author prepared enough copies of the instrument for each department to be distributed that same week. Each copy of the scale was accompanied by an instruction and data sheet. This sheet sought some general information from the respondent for categorizing the answers and provided them with instructions on how to complete the scale. (See Appendix A).

ANALYSIS OF THE RESULTS

The scoring was accomplished by assigning a numerical value to the response to each item. This involved assigning a value of from one to twenty to each response with the higher scores indicating greater participation.

Two profiles of the organization were developed using the scores of all fifty of the research subjects on the Likert Scale. These profiles were plotted on the system grids of the scale using the mean scores of the respondents on each item. There are two profiles on the grid with the one showing the way respondents felt the organization <u>is</u> and the other showing the way they felt it <u>ought</u> to be.

These data provide a general description of the hospital administration; however, in order to make a more detailed description, a statistical analysis was made. The scores for each of the three research groups on the organizational characteristics were used. The test of significance was made of the difference between the <u>is</u> perception of each group and their respective <u>ought</u> perception for each of the six organizational characteristics. This was accomplished by (1) calculating the mean score on the <u>is</u> and the mean score on the <u>ought</u> for each characteristic as perceived by each group and, (2) using a t-test for the difference between means for each group on each characteristic. A one tailed t-test for correlated data with an alpha level of .05 was employed. The t-test was used because of the relatively small number of cases.

The null hypothesis for this test was:

$$H_0: \bar{\Delta} = 0$$

The alternative hypothesis was:

$$H_1: \bar{\Delta} > 0$$

Where: mean of the differences ($\bar{\Delta}$) = the mean across subjects of ought minus is.

The results of these t-tests describe the transition process in the organization in relation to each characteristic for each group. If the null hypothesis were retained, it could be concluded that situationally the organization is where it should be in the renewal process. On the other hand, if the null hypothesis were rejected, it could be implied that a further renewal effort needs to be made to bring the two perceptions into congruence.

This total analysis required the use of six tests for each group, or a total of eighteen, to describe the status of the individual groups for each of the characteristics.

One further test was made to see if there were any significant differences between the three groups on the various characteristics. This involved the use of a single factor analysis of variance on each of the characteristics for the perception of what is. The .05 level of significance was used again on this test and there were, in each case, a null hypothesis and one alternative hypothesis.

The null hypothesis for each was:

$$H_0: \mu_A = \mu_B = \mu_C$$

With the following alternative:

$$H_1: \mu_A \neq \mu_B \neq \mu_C$$

Where: μ = a population mean and A, B, and C refer to the respective groups.

This was of importance in the description of the transition because it shows inter-group variance in perceptions and may provide some insight into areas requiring increased efforts of renewal. In terms of what exists (is), the literature indicates that Group A (administrative team) would have the highest mean score with Group B (department heads) having the next highest mean score. Group C (supervisors) were expected to have the lowest mean score of the three groups.

Thus, by statistically analyzing the scores of the subjects on the instrument, a description of the transition process can be developed and the organization can find out if there are any significant differences between the way it is and the way it ought to be. In addition they can further use the analysis conducted to see if there are any significant differences between the three groups' perceptions; this information can be used by the hospital for a description of where they are, where they should be heading and some possible areas for future renewal efforts.

Chapter 4

PRESENTATION OF THE DATA

This chapter consists of the presentation of the data with respect to the perceptions of the hospital's upper, middle, and lower management personnel and the analysis of that data.

REPORT OF THE FINDINGS

At a time when organizations are involved in developing different management styles to cope with constantly changing demands it is important that methods of assessing the state of management be developed. Likert's Profile of Organizational Analysis is one of the instruments designed for that purpose. The instrument allows the user to develop a profile of the organization's management based on the analysis of six characteristics common to all organizations. The profile can be plotted by connecting the responses to successive instrument items with straight lines. The profile is defined by noting the path of that line through the four management systems listed on the scale. Likert[1] found that, typically, managers who respond on the instrument place their own organizations on the benevolent authoritative or consultative management track

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[1]Robert C. Albrook, "Participative Management: Time For a Second Look," Fortune, 75:168, May, 1967.

and that, when asked to rate the most successful company they know, they place those companies on the participative track.

The data from the present study displayed in Figure 3 was consistent with Likert's findings. The respondents reported that the hospital really was using a consultative management system even though, ideally, they felt that it ought to be using a participative one.

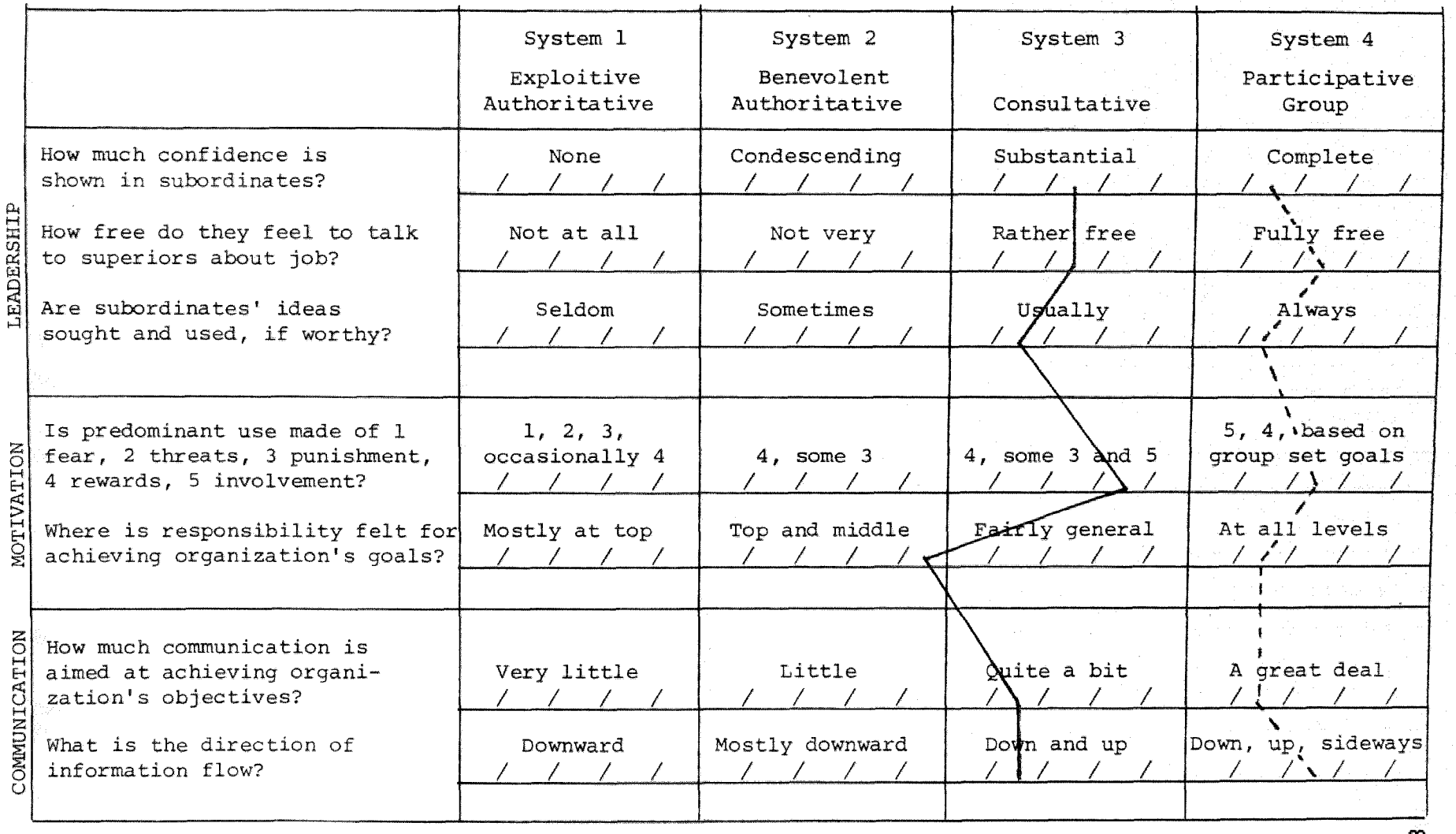
This information indicated that there was a difference in the two perceptions. The problem for the hospital was to ascertain whether the difference was due to something other than chance. If there were a significant difference between the two perceptions, it would be important for the hospital administrators to know because, like any other organization, they wished to be as successful as possible.

Management depends a great deal on the people they manage and, for this reason, it is important to know the employees' feelings. These feelings can involve the employees' perceptions of the organization, not only as it <u>is</u> but also as it <u>ought</u> to be. Ideally, these two perceptions should be similar for minimum dysfunction. If they are significantly different, it may be necessary for the organization to take steps to make them more agreeable.

This study sought to determine if there were marked differences between the perceptions of the existing management system and the perceptions of the desired management system. The t-test was employed on the differences between the two

Figure 3

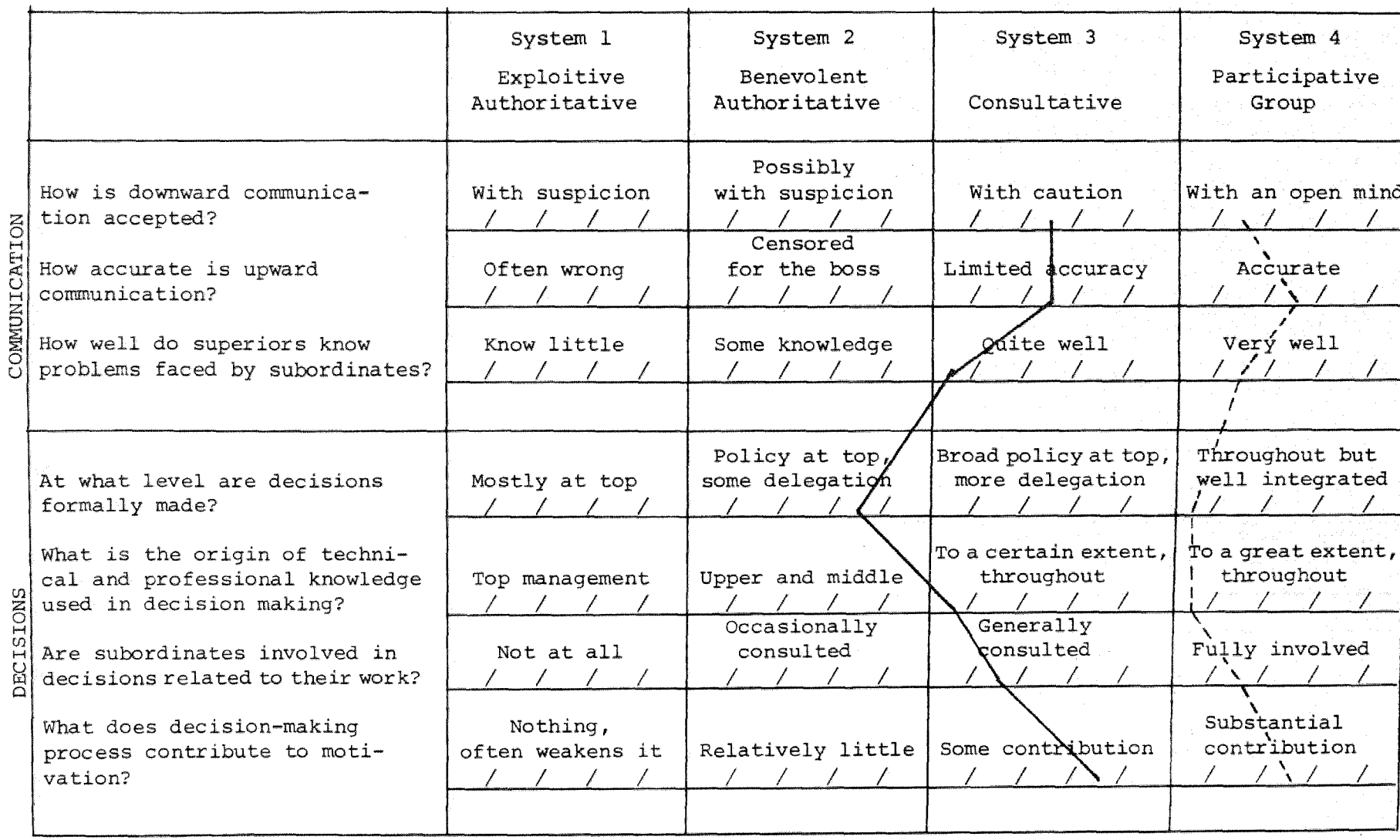
Profile of Management Personnel of the Management System of Mercy Hospital
As It Is and As It Should Be



KEY: _____ is
-------- ought

(continued on page 83)

Figure 3 (continued)

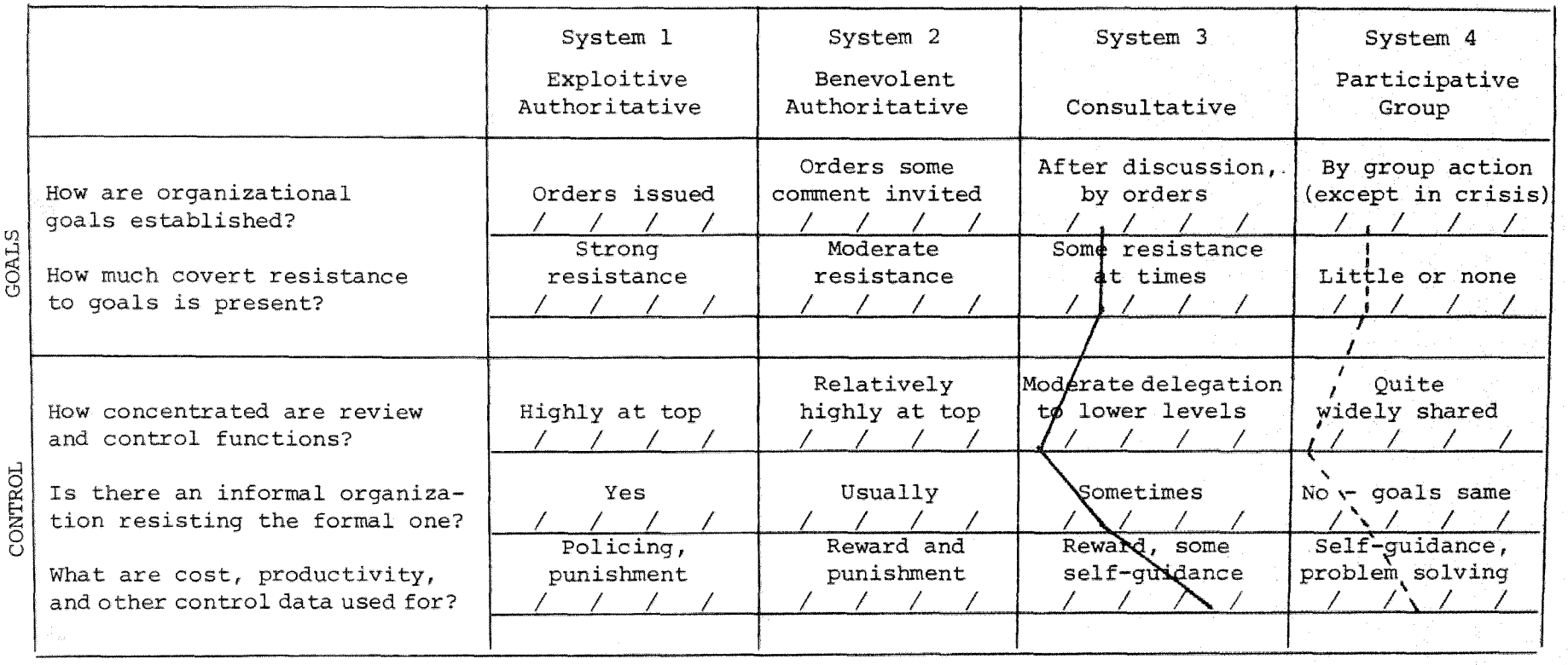


KEY: _____ is

-------- ought

(continued on page 84)

Figure 3 (continued)



KEY: _____ is

-------- ought

perceptions of the six characteristics for each of the three groups for the purpose of determining if the differences observed could be attributed to chance.

THE DATA RELATED TO THE FIRST HYPOTHESIS

Hypothesis #1: There is no difference in the perceptions of middle and lower management personnel concerning the participative level of this management system as it _is_ and as it _ought_ to be, nor do such differences exist in the perceptions of upper level management personnel.

Eighteen t-tests were run to test this hypothesis. The mean differences between the way the members of each of the three groups of subjects perceived the organization as it _ought_ to be and the way it _is_ was computed. This was done for each of the six characteristics measured by the instrument. The standard deviation of those differences was determined for each group. Using the t-test for correlated data, the t-ratio was computed. That t-ratio was compared with the value listed on the table of t-values for the .05 level of significance using the appropriate number of degrees of freedom.[1] Group A (administrative team) with three degrees of freedom, had a t-value of 3.182, group B (department heads) with 15 degrees of freedom, had a t-value of 2.131 and group C (supervisory personnel) with 29 degrees of freedom, had a t-value of 2.032.

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[1] N. M. Downie and R. W. Heath, Basic Statistical Methods (New York: Harper and Row, Publishers, 1974), p. 306.

The results of the mean difference t-values by group are presented for each of the six characteristics in Tables 1 through 6. These tables list the mean difference, the t-value and the level of significance for each characteristic group by group.

Table 1 contains the results of the t-test on the Leadership characteristic and it shows that the difference in the two perceptions was significant for all three groups. Table 2, with the mean difference t-values for the Motivation characteristic, illustrates that the difference of the two perceptions was significant for groups B and C but that group A's was not. Table 3 contains the results for the Communication characteristic and the mean difference of the two perceptions was significant for all three of the groups. Table 4, with the information on the Decisions characteristic, Table 5, with the Goals characteristic data and Table 6, with the Control characteristic figures, each had t-values that were significant for all three groups. These data provide the basis for rejecting the null hypothesis in all but one of the 18 t-tests run at the .05 level.

One further analysis was undertaken. This was designed to determine whether there were significant differences between the groups in regard to their perceptions of what <u>is</u>. Because of the fact that all of the groups had significant differences in the way they felt the organization <u>ought</u> to be in relation to the way it <u>is</u>, a decision was made to analyze only their <u>is</u>

Table 1

The Mean Difference t-Value By Group
For the Leadership Characteristic

	d	SD	t-value
Group A	15.750	2.287	6.887 **
Group B	13.125	1.581	8.301 ***
Group C	13.625	1.215	11.214 ***

** $p < .01$
*** $p < .001$

Table 2

The Mean Difference t-Value By Group
For the Motivation Characteristic

	d	SD	t-value
Group A	14.250	4.820	2.956 (ns)
Group B	11.563	1.165	9.925 ***
Group C	11.625	1.267	9.175 ***

** $p < .01$
*** $p < .001$

Table 3

The Mean Difference t-Value By Group
For the Communication Characteristic

	d	SD	t-value
Group A	30.750	3.544	8.677 **
Group B	24.313	2.683	9.062 ***
Group C	26.781	2.108	12.704 ***

** $p < .01$
*** $p < .001$

Table 4

The Mean Difference t-Value By Group
For the Decisions Characteristic

	d	SD	t-value
Group A	21.250	1.750	12.143 **
Group B	18.500	2.439	7.585 ***
Group C	22.530	1.570	14.350 ***

** $p < .01$
*** $p < .001$

Table 5

The Mean Difference t-Value By Group
For the Goals Characteristic

	d	SD	t-value
Group A	10.250	1.436	7.138 **
Group B	8.938	1.374	6.505 ***
Group C	10.843	.901	12.034 ***

** $p < .01$
*** $p < .001$

Table 6

The Mean Difference t-Value By Group
For the Control Characteristic

	d	SD	t-value
Group A	19.250	2.136	9.012 **
Group B	15.938	1.659	9.607 ***
Group C	13.440	1.408	9.545 ***

** $p < .01$
*** $p < .001$

perceptions. A single factor analysis of variance was used for this purpose.

THE DATA RELATED TO THE SECOND HYPOTHESIS

Hypothesis #2: There are no differences between the groups of management personnel in their perceptions of what exists in terms of participation in the management system.

Six separate analyses of variance were run to test this hypothesis. The between sum-of-squares and the within sum-of-squares were calculated for each of the three groups on the individual characteristics and the degrees of freedom determined. Using the figures obtained from these computations the analysis of variance was calculated by ascertaining the mean square between groups and within groups. The F test was made by dividing the mean square of the within groups variation into the mean square of the between groups variation. The results of those F tests were then compared to the table of F values using the 2 and 49 degrees of freedom figure.[1]

The results of the analyses of variance are contained in Tables 7 through 12, each table presenting information concerning one management characteristic. In each case, the F value is not significant at the .05 level and therefore, the null hypothesis was retained in every instance of this analysis.

The results indicate that any intergroup differences

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[1]Ibid., pp. 308-313.

Table 7

Analysis of Variance for Three Administrative Groups' Ratings of a Hospital's Administrative Organization in Regard to the Characteristic of Leadership, as it Really is

Source of Variation	df	Sum-of-Squares	Mean Square	F
Between Groups	2	49.2	24.6	.468 (ns)
Within Groups	49	2570.9	52.5	
Total	51	2620.1		

Table 8

Analysis of Variance for Three Administrative Groups' Ratings of a Hospital's Administrative Organization in Regard to the Characteristic of Motivation, as it Really is

Source of Variation	df	Sum-of-Squares	Mean Square	F
Between Groups	2	23.6	11.8	.200 (ns)
Within Groups	49	2894.5	59.1	
Total	51	2918.1		

Table 9

Analysis of Variance for Three Administrative Groups' Ratings of a Hospital's Administrative Organization in Regard to the Characteristic of Decisions, as it Really is

Source of Variation	df	Sum-of-Squares	Mean Square	F
Between Groups	2	511.1	255.6	2.402 (ns)
Within Groups	49	5214.3	106.4	
Total	51	5725.4		

Table 10

Analysis of Variance for Three Administrative Groups' Ratings of a Hospital's Administrative Organization in Regard to the Characteristic of Communication, as it Really is

Source of Variation	df	Sum-of-Squares	Mean Square	F
Between Groups	2	360.5	180.3	1.060 (ns)
Within Groups	49	8330.4	170.0	
Total	51	8690.9		

Table 11

Analysis of Variance for Three Administrative Groups' Ratings of a Hospital's Administrative Organization in Regard to the Characteristic of Control, as it Really is

Source of Variation	df	Sum-of-Squares	Mean Square	F
Between Groups	2	21.9	10.95	.1287 (ns)
Within Groups	49	4168.9	85.08	
Total	51	4190.8		

Table 12

Analysis of Variance for Three Administrative Groups' Ratings of a Hospital's Administrative Organization in Regard to the Characteristic of Goals, as it Really is

Source of Variation	df	Sum-of-Squares	Mean Square	F
Between Groups	2	106.3	53.15	1.648 (ns)
Within Groups	49	1580.9	32.26	
Total	51	1687.2		

in the is perceptions of these three groups may be due to chance variation.

SUMMARY

The presentation and an analysis of the data were presented in this chapter. The data were from the perceptions of three groups of upper, middle, and lower management personnel at Mercy Hospital in Des Moines, Iowa. The data obtained were concerned with the way 50 management personnel perceived the organization as it is and the way it ought to be.

The findings from the data in this study are as follows:

1. The perceptions of the upper, middle, and lower management personnel of Mercy Hospital are different in regard to the way the organization is and the way it ought to be. These differences can be shown on a profile which indicates the latter to be a participative type of system and the former to be a consultative type. The evidence from this profile, however, is not sufficient to justify any conclusive statements. A further test was needed to test the significance of the difference.

2. The difference between the ought perception and the is perception for each of the three groups was significant for each of the six management characteristics except for the administrative team (Group A) on the motivation characteristic. The results of these tests indicated that the management personnel feel that the administrative style practiced at the hospital is not as participative as it should be.

3. In testing to see if there were significant differences in the perceptions of the three groups (A, B and C) in regard to the way the management system is, no significant differences were found. This resulted in the null hypothesis being retained. Thus the differences in perceptions of the three groups regarding the management system as it exists may be the result of chance variation.

Chapter 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

A summary of the research findings, the conclusions based on those findings, and recommendations resulting from this study will be presented in this chapter.

SUMMARY OF THE INVESTIGATION

Mercy Hospital in Des Moines, Iowa, was involved in a renewal process designed to make the management style employed there more participative. The administration of the hospital was seeking a method of assessing the progress of that renewal effort. During a three month internship at the hospital to study the administrative structure, the author proposed to assess the renewal effort. He planned to make this assessment by ascertaining the perceptions of hospital personnel regarding the management style presently practiced and the style desired at the institution. The former management style was called the *is* perception and the latter was called the *ought* perception.

The perceptions of the members of the upper, middle, and lower management groups were used to determine the management style of the hospital as it *is* and as it *ought* to be. A modified version of the Likert Profile of Organizational Analysis was administered to each of 50 hospital management personnel

who composed the sample in this study.

Two profiles, one for the *is* management perceptions and one for the *ought* management perceptions of the sample, were drawn. The mean difference of these two perceptions was computed for each of the three groups (administrative team, department heads and supervisory personnel) for the six individual characteristics the Likert instrument measured. The six characteristic differences for each group were subjected to a t-test to see if the difference might be attributed to something other than chance. In addition, the *is* perceptions of all three of the groups were analyzed to determine whether there were any significant intergroup differences on this dimension.

The results of the analyses of the data generated by this study are summarized in the following findings:

1. At each of the three levels of management, used as subjects for this study, there were marked differences in the perceptions of the participative level of management as it *is* in this organization and at the level where it *ought* to be as seen by these subjects. The null hypothesis was rejected in all but one of the 18 t-tests run at the .05 level.

2. There were no significant differences between the groups of management personnel in their perceptions of what *is* in terms of the participation in the management system. That is, the null hypothesis was retained in each of the six analyses of variance.

CONCLUSIONS

The following conclusions are based on the findings in this study:

1. The renewal process in this organization is incomplete as seen by the responses of management personnel at all levels.

2. The perceptions of what exists, in terms of participative management, is similar across all management levels.

3. The perceptions of management level personnel concerning the extent to which the renewal process had been achieved is independent of the extent of their involvement in that renewal process.

RECOMMENDATIONS

The recommendations based on the findings of this study are presented in two categories. Recommendations in the first group are for the hospital as the subject organization and those in the second group are directed to future researchers in this area.

The recommendations for the hospital are:

1. More needs to be done in the present process of renewal and the examination of other processes in an effort to get closer agreement between the way the management personnel desire the level of participation ought to be and the way it is.

2. The hospital should continue additional evaluations periodically, using the format contained in the present study.

The results of those future evaluations should be compared with the findings of this study to determine the progress of, or need for, continued renewal.

The findings in this study suggest some areas where further research might prove desirable. The following recommendations are made:

1. A study might be undertaken to determine why there are no significant differences in the perceptions of the degree of participation in the management of such organizations, regardless of the management level occupied by the respondents.

2. Further research could be undertaken to determine why the degree of involvement in the renewal process of the hospital had no marked effect on the perceptions of the degree of participation practiced in the management of the institution.

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APPENDIX A

TO: The Respondent

FROM: Gerald L. Conley, Intern in Administration

PLEASE RETURN TO SANDI IN ADMINISTRATION OFFICE BY FRIDAY, MARCH 15.

The most important part of any organization is the people who make it up. Researchers have discovered that there are certain organizational processes such as confidence and trust in leadership, communication, decision making, etc., which affect the success of that organization in achieving its goals.

This questionnaire is constructed and administered to determine how you feel these key processes are handled in this organization and how you think they should be handled. There are no right or wrong answers. The information provided will be used to see where the organization is in relation to where people think the organization ought to be.

To complete the instrument, please read each item carefully and place an R (R=really) at the point on the scale that best describes the practice of the hospital, as it really is, in your personal experience. For example, on the first question, if your answer is none put a check mark in the first or second notch under the descriptor. Treat each answer as a part of a continuous scale from the left to the right sides of the scale. When you have completed all nineteen items, go back and do the same thing again, only this time, place an I (I=ideally) where you think the hospital should be located ideally on each item scale.

Position (Please Mark One)

_____Administrator

_____Department Head

_____Supervisor

Education (Please Mark One)

_____Nurse Training

_____Medical School

_____College

_____Technical School

Name of Department _____

Hours Worked _____

Number of Years at Mercy _____

		System 1 Exploitive Authoritative	System 2 Benevolent Authoritative	System 3 Consultative	System 4 Participative Group
LEADERSHIP	How much confidence is shown in subordinates?	None	Condescending	Substantial	Complete
	How free do they feel to talk to superiors about job?	Not at all	Not very	Rather free	Fully free
	Are subordinates' ideas sought and used, if worthy?	Seldom	Sometimes	Usually	Always
MOTIVATION	Is predominant use made of 1 fear, 2 threats, 3 punishment, 4 rewards, 5 involvement?	1, 2, 3, occasionally 4	4, some 3	4, some 3 and 5	5, 4, based on group goals set
	Where is responsibility felt for achieving organization's goals?	Mostly at top	Top and middle	Fairly general	At all levels
COMMUNICATION	How much communication is aimed at achieving organization's objectives?	Very little	Little	Quite a bit	A great deal
	What is the direction of information flow?	Downward	Mostly downward	Down and up	Down, up, sideways

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		System 1 Exploitive Authoritative	System 2 Benevolent Authoritative	System 3 Consultative	System 4 Participative Group
COMMUNICATION	How is downward communication accepted?	With suspicion	Possibly with suspicion	With caution	With an open mind
	How accurate is upward communication?	Often wrong	Censored for the boss	Limited accuracy	Accurate
	How well do superiors know problems faced by subordinates?	Know little	Some knowledge	Quite well	Very well
DECISIONS	At what level are decisions formally made?	Mostly at top	Policy at top, some delegation	Broad policy at top, more delegation	Throughout but well integrated
	What is the origin of technical and professional knowledge used in decision making?	Top management	Upper and middle	To a certain extent, throughout	To a great extent, throughout
	Are subordinates involved in decisions related to their work?	Not at all	Occasionally consulted	Generally consulted	Fully involved
	What does decision-making process contribute to motivation?	Nothing, often weakens it	Relatively little	Some contribution	Substantial Contribution

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		System 1 Exploitive Authoritative	System 2 Benevolent Authoritative	System 3 Consultative	System 4 Participative Group
GOALS	How are organizational goals established?	Orders issued / / / /	Orders some comment invited / / / /	After discussion, by orders / / / /	By group action (except in crisis) / / / /
	How much covert resistance to goals is present?	Strong resistance / / / /	Moderate resistance / / / /	Some resistance at times / / / /	Little or none / / / /
CONTROL	How concentrated are review and control functions?	Highly at top / / / /	Relatively highly at top / / / /	Moderate delegation to lower levels / / / /	Quite widely shared / / / /
	Is there an informal organization resisting the formal one?	Yes / / / /	Usually / / / /	Sometimes / / / /	No - goals same / / / /
	What are cost, productivity, and other control data used for?	Policing, punishment / / / /	Reward and punishment / / / /	Reward, some self-guidance / / / /	Self-guidance, problem solving / / / /